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19101-A

January 25, 1995

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two copies of each of the following documents: an Equipment Lease Agreement, dated as of January 25, 1995, a primary document; and a Trust Indenture and Security Agreement, dated as of January 25, 1995, a secondary document related thereto as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Equipment Lease Agreement

Lessee	:	Oxy Petrochemicals, Inc. Occidental Tower 5005 LBJ Freeway Dallas, Texas 75244
Lessor	:	Norwest Bank Minnesota, National Association 600 South 6th Street Minneapolis, Minnesota 55479

Open Targets - City of...

Mr. Vernon A. Williams
January 25, 1995
Page 2

Trust Indenture and Security Agreement

Owner Trustee : Norwest Bank Minnesota, National Association
600 South 6th Street
Minneapolis, Minnesota 55479

Indenture Trustee : Manufacturers and Traders Trust Company
One M & T Plaza
Buffalo, New York 14203

A description of the railroad equipment covered by the enclosed documents is attached hereto as Schedule A.

Also enclosed is a check in the amount of \$42.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures



Interstate Commerce Commission
Washington, D.C. 20423-0001

1/25/95

Office Of The Secretary

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW, Ste. 200
Washington, DC. 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/25/95 at 9:10AM , and assigned recordation number(s). 19191 and 19191-A.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

(0100504001)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

19131
JAN 26 1995 10 AM
BANK OF AMERICA

EQUIPMENT LEASE AGREEMENT

Dated as of January 25, 1995

Between

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION,
not in its individual capacity (except as expressly stated
in Section 12 hereof) but solely as Owner Trustee,

Lessor,

and

OXY PETROCHEMICALS INC.,
Lessee

RAILROAD ROLLING STOCK

F-554LB

CERTAIN RIGHTS, TITLE AND INTEREST OF LESSOR IN AND TO THIS LEASE, THE UNITS COVERED HEREBY AND THE RENT DUE AND TO BECOME DUE HEREUNDER HAVE BEEN ASSIGNED AS COLLATERAL SECURITY TO AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF MANUFACTURERS AND TRADERS TRUST COMPANY, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE AND SECURITY AGREEMENT DATED AS OF JANUARY 25, 1995 BETWEEN SAID INDENTURE TRUSTEE, AS SECURED PARTY, AND LESSOR, AS DEBTOR. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART NUMBER 1, WHICH CONTAINS THE RECEIPT THEREFOR EXECUTED BY INDENTURE TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

COUNTERPART NO. 3

This Lease was filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on January __, 1995 at __:__.M. Recordation No. _____ and deposited with the Office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada on January __, 1995, at _____.M.

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EQUIPMENT LEASE AGREEMENT

This EQUIPMENT LEASE AGREEMENT dated as of the 25th day of January, 1995, by and between NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, a national banking association having its principal place of business at Corporate Trust, Norwest Center, 600 South 6th Street, Minneapolis, Minnesota 55479-0069, not in its individual capacity but solely as Trustee under the Trust Agreement defined below ("Lessor"), and OXY PETROCHEMICALS INC., a Delaware corporation ("Lessee"), having its principal place of business at Occidental Tower, 5005 LBJ Freeway, Dallas, Texas 75244.

1. Definitions.

Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in Appendix I to the Participation Agreement (a copy of which is attached as Appendix I hereto). Section, Article and Exhibit references herein are to Sections, Articles and Exhibits of this Lease unless otherwise indicated.

2. Lease of Equipment.

Subject to all the terms, conditions and covenants of this Lease, Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the Units.

3. Delivery and Acceptance.

Lessee agrees to lease hereunder each Unit sold by Seller to Lessor pursuant to Section 2 of the Participation Agreement, whereupon Lessee agrees that such Unit shall be covered by this Lease. The delivery and acceptance of each Unit identified on Schedule 1 hereunder shall be conclusively evidenced by the execution and delivery by Lessee and Lessor of this Lease.

4. Term of Agreement.

(a) Term. The term of this Lease as to each Unit shall consist of the Interim Term and the Basic Term, subject to Lessee's renewal option as provided in Section 6 hereof, unless sooner terminated pursuant to Section 4(b), Section 6(b)(ii), Section 11(b) or Section 18 hereof.

(b) Right of Termination. So long as no Event of Default and no Incipient Default, in each case, with respect to the requirements of Section 7 hereof, shall have occurred and be continuing upon not less than 180 days' written notice delivered to Indenture Trustee, Lessor and Owner Participant, Lessee shall have the right to elect to terminate this Lease with respect to not less than all of the Units then subject to this Lease, if Lessee shall have determined in good faith that the Units are obsolete in, or surplus to, the business of Lessee, such determination being evidenced by a certificate (specifying whether the Units are surplus, obsolete or both) of a Responsible Officer of Lessee which shall accompany such written notice. Lessee and any other agent of Lessor, chosen by Lessor in its sole discretion, shall obtain bids for the purchase of the Units, and Lessor agrees, subject to its right to retain the Units pursuant to the first sentence of the third paragraph of this Section 4(b), to sell the Units (or, upon Lessee's election, the beneficial interest of Owner Participant in the Trust Estate) to the highest bidder (which may be Lessor) without recourse or warranty other than as to the absence of Lessor Liens. Such sale of the Units or the beneficial interest of Owner Participant in the Trust Estate shall take place on such Termination Date, at which time, upon receipt by Lessor in immediately available funds of the full sale price of the Units together with the payments, if any, to be made by Lessee as provided below, Lessor shall transfer to the purchaser all of Lessor's rights, title

and interest in and to the Units without recourse or warranty (except for the absence of Lessor Liens). In no event shall Lessee, Guarantor or any Affiliate of Lessee or Guarantor be the purchaser of or otherwise obtain the benefit of the use of the Units in a sale pursuant to this Section 4(b).

On such Termination Date Lessee shall pay Lessor in immediately available funds (i) all unpaid Basic Rent (including any payment of Basic Rent due on such Termination Date but excluding any portion of unpaid Basic Rent designated as advance rent due on such Termination Date, (ii) the amount, if any, by which the aggregate Termination Value of the Units computed as of such Termination Date exceeds the sale price after deduction from such sale price of all of Indenture Trustee's, Loan Participants', Lessor's and Owner Participant's reasonable out-of-pocket costs and expenses, including, but not limited to, any sales tax payable by Lessor not recovered at the time of such sale from the purchaser of the Units, if any, in connection with any such sale and (iii) all unpaid Supplemental Rent. If Lessee does not make the above-required payments, the notice of termination shall be deemed to be rescinded and this Lease shall continue in full force and effect as though no notice of termination had been given by Lessee, and Lessee shall pay Lessor's, Indenture Trustee's, Owner Participant's and each Loan Participant's reasonable out-of-pocket costs and expenses incurred in anticipation of such deemed rescinded termination. Upon the receipt by Lessor of the above-described amounts on the Termination Date, all obligations of Lessee under this Lease after such Termination Date shall cease except for Lessee's obligation to pay Supplemental Rent and such other obligations which, by the terms hereof, expressly survive the termination of this Lease. If no such sale takes place with respect to the Units, Lessee shall promptly notify Indenture Trustee, Lessor and Owner Participant in writing and such notice shall be considered as an election to rescind such sale by Lessee, notwithstanding the failure of Lessee to provide a notice thereof in accordance with the last paragraph of this Section 4(b) and Lessee shall pay Lessor's, Indenture Trustee's and Owner Participant's reasonable out-of-pocket costs and expenses incurred in anticipation of such rescinded sale.

No later than 30 days after Lessor receives written notice as aforesaid that Lessee elects to terminate this Lease, Lessor shall notify Lessee and Indenture Trustee that it elects to retain the Units on the Termination Date, in which case Lessee shall discontinue its efforts to sell the Units and shall return the Units to Lessor as provided in Section 16 hereof and Lessee shall have no power to rescind its notice of termination except as otherwise provided in the next paragraph of this Section 4(b). If, on the Termination Date, all unpaid Basic Rent and Supplemental Rent, together with all amounts due pursuant to Section 3.02(b) of the Indenture with respect to termination of this Lease shall have been paid, all obligations of Lessee under this Lease after such Termination Date shall cease, except for Lessee's obligation to pay Supplemental Rent and such other obligations which, by the terms hereof, expressly survive the termination of this Lease.

Notwithstanding the foregoing, Lessee may elect by written notice to Lessor, Indenture Trustee and Owner Participant at least 30 days prior to such Termination Date to rescind its notice of termination whereupon this Lease will continue in full force and effect as though no notice of termination had been given by Lessee, and Lessee shall pay Lessor's, Indenture Trustee's, Owner Participant's and each Loan Participant's reasonable out-of-pocket costs and expenses incurred in anticipation of the termination which was rescinded; provided that in such case, and in the case of Lessee's failure to make the required prepayment (referred to in the second preceding paragraph), Lessee shall have thereafter on no more than two subsequent dates the right to provide notice of termination of this Lease as provided above as of any subsequent Termination Date.

5. Payment of Rent.

(a) Interim Rent and Basic Rent. Lessee hereby agrees to pay Lessor the Lessee Interim Rent on July 31, 1995. Lessee hereby agrees to pay Basic Rent to Lessor for each Unit on each Rental Payment Date for such Unit. Each payment of Basic Rent designated as advance rent shall be allocated over the six-month period beginning on the Rental Payment Date on which such advance rent payment is scheduled to be made, and each installment of Basic Rent that is designated as payable in arrears shall be accrued over the six-month period ending on and including the day immediately preceding the Rental Payment Date on which such arrears payment is scheduled to be made.

(b) Supplemental Rent. In addition to its obligation to pay Basic Rent hereunder, Lessee also agrees to pay as Supplemental Rent, any and all amounts, liabilities and obligations (other than Basic Rent) which Lessee assumes or agrees to pay to Lessor or any other Person hereunder or under the Participation Agreement or any other Operative Agreement, including, without limitation, Lessee Interim Rent, Casualty Loss Value payable under Section 11(b) hereof, the payments provided for in Sections 4(b) and 6(b) hereof, the indemnities provided for in Sections 5 and 7 of the Participation Agreement, any Prepayment Amount or other amount payable by Lessee pursuant to Section 16(c) or (d) of the Participation Agreement, and amounts equal to all payments, including any Make-Whole Premium, breakage costs, or expenses, provided for in the Indenture (other than scheduled payments of principal of, and interest on, the Notes and payments pursuant to Section 5.03(b) thereof) and payments under Section 3.2 of the Trust Agreement, promptly as the same shall become due and owing. Lessee will also pay to Lessor, and any other Participant to whom Supplemental Rent is payable on demand, as Supplemental Rent, to the extent permitted by applicable law, interest at the Default Interest Rate on any part of any installment of Basic Rent, any payment of Casualty Loss Value, any payment of Termination Value and payment of the Early Purchase Option Price and any Make-Whole Premium not paid when due for the period for which the same shall be overdue and unpaid and on any other payment of Supplemental Rent not paid when demanded by Lessor or such other Participant from the date demanded until the same shall be paid.

(c) Lessee Advance of Lessor Interim Amount. If and to the extent that on or prior to July 24, 1995, Lessor shall not have made a payment to Indenture Trustee of the Lessor Interim Amount for such date, Lessee shall pay to Lessor on each such date as Supplemental Rent an amount equal to the Lessor Interim Amount for such date. Lessor agrees to give notice to Lessee and Indenture Trustee at least five Business Days prior to such date if the funds for the payment of such Lessor Interim Amount will not be paid by Owner Participant to Lessor in the full amount thereof. Lessee may thereafter (until reimbursed by Owner Participant with interest as provided below) and provided no Event of Default, and no Incipient Default under subsections (a), (e) or (f) of Section 17 hereof shall have occurred and be continuing, offset, on any Rental Payment Date, Casualty Loss Payment Date, Termination Date or Early Purchase Option Date, an amount equal to the amount, or portion thereof, actually paid by Lessee on behalf of Lessor, plus interest on such amounts, which shall accrue from the date of payment of such amounts by Lessee to the date of offset at an annual rate equal to the Default Interest Rate against that portion of Basic Rent, Casualty Loss Value, Termination Value, Early Purchase Option Price or any other amount, in each case in excess of the amount, if any, of principal and interest or other amounts then due on the Notes or to Indenture Trustee or Loan Participants, and against any other Supplemental Rent due by Lessee solely to the Owner Participant and in each case, such offset shall be deemed to constitute a reduction in the amount of such Rent so due and payable; provided that in all cases Lessee shall remain liable and no

offsets will be permitted against any Rent necessary so that all principal, interest and other amounts due on the Notes are paid when due.

(d) Obligation to Pay Rent; No Setoff; Net Lease. The payments of Basic Rent, Casualty Loss Value and Termination Value to be made by Lessee to Lessor under this Lease shall, so long as the Indenture shall be in effect, be made to Indenture Trustee at the office of Indenture Trustee as provided in the Indenture and received by Indenture Trustee in immediately available funds prior to 11:00 a.m. (New York City time) on the date such payments are due, and otherwise shall be paid to Lessor in immediately available funds by such time. All other amounts of Supplement Rent shall be paid to the Participants at the addresses provided in the Participation Agreement. Lessee's obligation hereunder to pay all Basic Rent and Supplemental Rent and all other costs and expenses of every character in connection with the use and payable hereunder shall be absolute and unconditional until this Lease terminates in accordance with its terms and shall not be affected by any circumstances, including, without limitation: (i) any setoff (except as provided in Section 5(b) herein), counterclaim, recoupment, deduction, defense or other right which Lessee may have against Lessor or against any other Participant, manufacturer or vendor of any Unit or any one else for any reason whatsoever; (ii) any defect in the title, or other ownership interests, condition, design, operation, merchantability or fitness for use of any Unit; (iii) the existence of any liens, encumbrances or rights of others whatsoever with respect to any Unit, whether or not resulting from claims against Lessor not related to the ownership of the Leased Equipment; (iv) any loss or destruction of, or damage to, any Unit or any interruption or cessation in the use or possession thereof for any reason whatsoever and of whatever duration; (v) the invalidity or unenforceability of the Lease or any other infirmity therein or any lack of power or authority of Lessor or Lessee to enter into the Lease; (vi) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee or Lessor or Guarantor; or (vii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If for any reason whatsoever (other than pursuant to Sections 4(b) and 11(b) hereof) this Lease shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein, Lessee nonetheless agrees to pay to Lessor an amount equal to each payment of Basic Rent at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease, except in accordance with the express terms hereof. Each payment of Basic Rent or Supplemental Rent made by Lessee shall be final, and Lessee will not seek to recover all or any part of such payments from Lessor or any other person for any reason whatsoever. This provision, however, shall not be construed to waive Lessee's right of action, if any, against Lessor or any other person for damages incurred by Lessee on account of any breach by Lessor or such other person of any provision of this Lease or any other agreement relating or not relating hereto.

(e) Adjustment of Rent. Lessee and Lessor agree that the Basic Rent, Casualty Loss Values, Termination Values and Early Purchase Option Price shall be adjusted to the extent provided in Section 15 of the Participation Agreement.

6. Sublease; Purchase and Renewal Options.

(a) Sublease. Provided that no Event of Default, and no Incipient Default under subsections (a), (e) or (f) of Section 17 hereof, shall have occurred and be continuing, Lessee may sublease any Unit (i) to any subsidiary or affiliate of Lessee or (ii) to any other solvent party. Such

sublease (i) shall in no way relieve Lessee from any obligations under this Lease, and Lessee hereby waives any rights it may now have or hereafter acquire to avoid any such obligation by reason of such sublease or any circumstances arising from such sublease, (ii) shall require the sublessee to comply with all Lessee's obligations under this Lease, except those which are retained by Lessee, (iii) shall prohibit the sublessee from further subleasing the Leased Equipment subject thereto, (iv) shall not extend beyond the Expiration Date or any extension thereof pursuant to a renewal option that has been exercised by Lessee pursuant to the provisions of Section 6(c) hereof, (v) shall not result in unindemnified adverse consequences to any Participant and (vi) shall be expressly subject and subordinate to this Lease. Lessee agrees to indemnify and hold harmless each Participant against any and all out-of-pocket expenses, claims, demands and liabilities, of whatever nature, relating to or in any way arising out of such sublease and all out-of-pocket costs, damages, charges, reasonable attorneys' fees and expenses arising out of or necessitated by assertion of any such claim or demand with regard to such sublease. Any sublease with an original term of one year or longer shall be, and without the necessity of any further act hereby is, assigned to Lessor and shall be part of the Trust Indenture Estate. Notwithstanding any sublease, Lessee will remain primarily liable for the performance of its obligations under this Lease and the other Operative Agreements to which it is a party to the same extent as if such sublease were not in effect.

(b) Purchase Option. Upon not more than 450 nor less than 360 days' prior written notice to Lessor, Lessee shall be entitled to purchase on an "as is" "where is" basis not less than all of the Units then subject to this Lease:

(i) provided that no Event of Default and no Incipient Default, in each case, with respect to the requirements of Section 9 hereof or (subject to the last paragraph of this subsection (b)) under subsections (e) or (f) of Section 17 hereof, shall have occurred and be continuing, on the Expiration Date, at the Fair Market Value thereof at the time of such purchase;

(ii) provided that no Event of Default and no Incipient Default, in each case, with respect to the requirements of Section 7 hereof, shall have occurred and be continuing, on the relevant Early Purchase Option Date, with respect to such Units at the Early Purchase Option Price for such Units; and

(iii) provided that no Event of Default and no Incipient Default, in each case, with respect to the requirements of Section 9 hereof or (subject to the last paragraph of this subsection (b)) under subsections (e) or (f) of Section 17 hereof, shall have occurred and be continuing, on the last day of any renewal term hereof with respect to such Units, at the Fair Market Value thereof at the time of such purchase;

in each case, plus all unpaid Basic Rent (other than any portion of unpaid Basic Rent designated as advance rent then due) and Supplemental Rent then due, less (if the Lessee so elects with respect to the Notes) the outstanding principal amount of the Notes that Lessee shall have assumed pursuant to Section 18(d) of the Participation Agreement and Section 3.02 of the Indenture. If Lessee has not elected to pay the Early Purchase Option Price in installments, Lessee shall pay to Lessor on the Early Purchase Option Date the full applicable Early Purchase Option Price. If Lessee has elected by written notice to Lessor and Owner Participant delivered together with the notice first referred to in this Section 6(b) to pay the Early Purchase Option Price in installments, Lessee shall pay to Lessor on each date under the caption "Early Purchase Option Date" on Schedule 1 hereto an amount calculated

by multiplying the Lessor's Cost of the Units by the percentage set forth opposite such date and shall deliver to Owner Participant on the Early Purchase Option Date such instruments, opinions and other documents containing terms and conditions (including covenants and indemnities) no more onerous to Lessee than the terms and conditions hereof and of the other Operative Agreements (all as Owner Participant may reasonably request) to, among other things, establish and perfect a security interest in the Units (subject to no other Lien) securing the payment by Lessee to Owner Participant of such installments and provide such other evidence as Owner Participant may reasonably request to establish the due authorization and consummation of the transactions contemplated by this Section. If Lessee exercises its option pursuant to clause (ii) above and elects to pay any Early Purchase Option Price in installments it shall not be entitled to assume the outstanding principal amount of the Notes pursuant to Section 18(d) of the Participation Agreement or Section 3.02 of the Indenture. Upon the Early Purchase Option Date, Lessor shall transfer to Lessee, without recourse or warranty (except the absence of Lessor Liens) all right, title and interest of the Owner Trustee in and to the Units and shall furnish to or at the direction of Lessee one or more bills of sale in form and substance reasonably satisfactory to Lessee and, in the case of an assumption of the Notes, Indenture Trustee, evidencing such transfer.

Notwithstanding the foregoing, if Lessee has given notice of its intention to purchase the Units pursuant to clause (i) or clause (iii) above, at any time at least 270 days prior to any such end of the applicable term of this Lease, Lessee may elect by written notice to Lessor to rescind such notice to Lessor to purchase the Units whereupon Lessee shall pay Owner Participant's, Lessor's, Indenture Trustee's and each Loan Participant's reasonable out-of-pocket costs and expenses incurred by reason of the notice to purchase which was rescinded.

Lessee shall be entitled to purchase the Units pursuant to clause (i) and (iii) above notwithstanding the occurrence and continuance of an Event of Default or Incipient Default, in each case, under subsections (e) and (f) of Section 17, if concurrently with delivery of the notice of such purchase pursuant to this Section 6(b), Lessee shall deposit or cause to be deposited with Lessor or its designee upon terms (including any required court approvals) reasonably acceptable to Owner Participant an amount of cash equal to the Termination Value of such Equipment as of the Expiration Date or last day of a renewal term, as the case may be, such amount to be held in trust for the benefit of Lessee and paid over to Lessor or its designee on but not before the relevant purchase date. The amount deposited pursuant to the immediately preceding sentence shall be deemed to have been irrevocably deposited with Lessor if Lessee shall not have rescinded its election to purchase the Units in accordance with the immediately preceding paragraph. The amount deposited pursuant to this paragraph shall be increased or decreased, as the case may be, to equal the Fair Market Value of the Unit as of any such purchase date, as determined by an appraisal prior to such purchase date, such increase or decrease to be effected as soon as is practicable following such appraisal.

(c) Renewal Option. Upon not more than 450 nor less than 360 days' prior written notice to Lessor and provided no Event of Default, and no Incipient Default under subsections (a), (e) or (f) of Section 17 hereof, shall have occurred and be continuing, Lessee shall be entitled to renew this Lease on an "as is" "where is" basis with respect to not less than all of the Units then subject to this Lease:

(i) at the Expiration Date for up to two successive terms of not less than one year nor more than five years each for a rental equal to the lesser of (A) the Fair Market Rental Value for the Units thereof at the time of such renewal or (B) fifty percent (50%) of the

average annual Basic Rent for the Units over the applicable Basic Term; provided that the periods from the Closing Date to the end of any renewal (plus the maximum permissible holdover period for the Units) pursuant to this clause (i)(B) shall not extend beyond the date (x) that ends the period which is equal to seventy-five percent (75%) of the remaining useful life of the Units as measured from the Closing Date and estimated by the Special Appraiser (as defined below) and (y) on which the residual value of the Units is reasonably expected, as estimated by the Special Appraiser (as defined below), to equal at least twenty percent (20%) of Lessor's Cost for the Units (without giving effect to inflation or deflation since the Closing Date for the Units); and

(ii) upon the expiration of the renewal period described in clause (i) for the Units, Lessee may renew the Lease for the Units for successive terms of not less than one (1) year at the Fair Market Rental Value for the Units at the time of such renewal.

Promptly following Lessee's written notice of an election to renew this Lease pursuant to Section 6(c)(i)(B) of this Lease, Lessor shall choose an independent qualified appraiser of national reputation with experience in appraising railcars for the purpose of determining the remaining estimated useful life and the uninflated residual value of the Leased Equipment as of the end of such Renewal Term to facilitate determination of tax and accounting treatment, such appraiser to be reasonably acceptable to Lessee and such appraisal to be reasonably acceptable to Lessor and Lessee. Such party so chosen to act as the appraiser for such purposes is herein referred to as the "Special Appraiser" and the expenses and fees thereof shall be borne by Lessee.

Notwithstanding the foregoing provisions of this Section 6(c), if Lessee has elected to renew this Lease pursuant to clause (c)(i) above, but one or more of the Units (the "Short-Fall Units") fails to satisfy the conditions in clause (c)(i) above for the entire renewal period selected by Lessee, then Lessee shall, consistent with the provisions of this Section 6(c), renew the Lease with respect to each Short-Fall Unit pursuant to the terms of clause (c)(i) for a period up to the maximum period for which such Unit would comply with the provisions of clause (c)(i) and thereafter pursuant to clause (c)(ii) for the balance of the maximum renewal period selected by Lessee. The renewals described in Section 6 (c)(i) and (c)(ii) shall hereinafter collectively be referred to as the "Renewal Terms."

With respect to any such renewal (i) Basic Rent shall be payable in semi-annual payments in arrears on each Rental Payment Date, (ii) Casualty Loss Value for each Unit shall be equal to the estimated Fair Market Value of such Unit as of the beginning of such renewal term, shall be reduced on a straight line basis over the then remaining useful life of such Unit to the then projected Fair Market Value of such Unit at the end of such renewal term and shall be stated on a monthly basis which shall include the pro rata portion of Basic Rent accrued on such Unit as of each month and (iii) there shall be no right to terminate the Lease during such renewal term, and such renewal shall otherwise be on the same terms and conditions as provided herein.

Notwithstanding the foregoing, at any time at least 270 days prior to any such end of the applicable term of this Lease, Lessee may elect by written notice to rescind its notice to renew with respect to the Units whereupon Lessee shall pay Owner Participant's and Lessor's reasonable out-of-pocket costs and expenses incurred by reason of the notice to renew which was rescinded.

(d) Fair Market Value and Fair Market Rental Value. Lessee and Owner Participant agree to negotiate in good faith the Fair Market Value or Fair Market Rental Value for

each Unit, as the case may be; in the event such agreement cannot be reached at least 270 days prior to any such end of the applicable term of this Lease, such Fair Market Value or Fair Market Rental Value shall be determined in accordance with the Appraisal Procedure.

7. Insurance.

(a) Policies. Lessee will, upon delivery of the Leased Equipment to Lessor on the Closing Date and at all times during the term of the Lease, at its own expense, carry and maintain or cause to be carried and maintained (i) property insurance with respect to the Leased Equipment, and (ii) public liability insurance (including nongradual pollution liability coverage) with respect to bodily injury and property damage, in each case with such deductibles, in such amounts, against such risks and with such insurance companies of established good reputation as is carried by chemical manufacturing corporations similar to Lessee, but in any event with no greater deductibles and at least comparable in amounts and against risks insured against by Guarantor and its Affiliates with respect to equipment it, or its Affiliates, owns or leases that is similar in nature to the Leased Equipment; provided that Lessee may in any event self-insure in a manner and to the extent such self-insurance is consistent with the self-insurance practices of such other corporations and with the self-insurance practices of Guarantor or its Affiliates with respect to equipment owned or leased by Guarantor or its Affiliates that is similar in nature to the Leased Equipment.

(b) Liability Policy Provisions. The policy or policies of public liability insurance carried in accordance with subsection (a) hereof shall to the extent such provisions are available at commercially reasonable rates (i) require at least 30 days prior written notice to each Participant of cancellation, lapse, expiration or adverse change to reduce the coverage thereof, (ii) (A) cover each Participant as an additional insured or (B) provide that in the event that any additional insured is named in a certificate of insurance issued in connection with such policy, the policy will be deemed to have been endorsed accordingly, (iii) provide that such insurance is primary with respect to any other insurance carried by or available to the participants, (iv) provide that the insurer shall waive any right of subrogation and any setoff, counterclaim, or other deduction, whether by attachment or otherwise, against the Participants and (v) contain a cross-liability clause providing for coverage of the Participants as if separate policies had been issued to each of them.

(c) Property Policy Provisions.

(1) The policy or policies of property insurance carried in accordance with subsection (a) hereof shall to the extent such provisions are available at commercially reasonable rates (i) require at least 30 days' prior written notice to each Participant of cancellation, lapse, expiration or adverse change to reduce the coverage thereof, (ii) (A) cover each Participant as a loss payee as their interests may appear (but without imposing on any such party liability to pay premiums with respect to such insurance) provided that Lessor (or if the Lien of the Indenture shall not have been discharged the Indenture Trustee) shall be named as sole loss payee with respect to policies for physical damage insurance on the Leased Equipment and as an additional insured or (B) provide that in the event that any additional insured or loss payee is named in a certificate of insurance issued in connection with such policy, the policy will be deemed to have been endorsed accordingly, (iii) provide that, in respect of the interest of each Participant in such policies, the insurance shall not be invalidated by any action or inaction by Lessee or its Affiliates (other than a failure of Lessee to pay premiums or other sums owing to the insurer), (iv) insure each Participant regardless of

any breach or violation of any warranty, declaration or condition contained in such policies (or in the application therefor or in any other document submitted to the insurer in connection therewith), (v) provide that such insurance is primary with respect to any other insurance carried by or available to the Participants, and (vi) provide that the insurer shall waive any right of subrogation and any setoff, counterclaim, or other deduction, whether by attachment or otherwise, against the Participants.

(2) Lessee shall be deemed to have complied with the requirements of subsection (1) hereinabove notwithstanding the absence of any of the provisions referred to therein in the Underlying Policies (as defined below in Section 7(h)) provided that an Excess Policy (as defined below) in Section 7(h)) provides that the insurer thereunder will pay the Participants such amounts as may be required to make good the difference in conditions between the coverage required by subsection (1) and the coverage provided in the Underlying Policies or will otherwise contain provisions that are absent in the Underlying Policies to the extent which would be required if the Underlying Policies were amended to include the absent provisions.

(d) Certificates. On or prior to the Closing Date, and thereafter on or prior to the 30th day preceding the expiration of any policy maintained pursuant to this Section 7 and not less than 10 days prior to any assignment described in Section 19 by Lessee hereof, Lessee or any assignee, as the case may be, shall deliver to each Participant certificates of insurance issued by the insurers under the policies required pursuant to this Section 7 or, if unavailable, other evidence of the insurance maintained pursuant to this Section 7 reasonably satisfactory to such Participant. After the Closing Date, upon request, the Lessee shall deliver to each Participant a report of an insurance broker describing in reasonable detail the insurance maintained pursuant to this Section 7 and stating that in such broker's opinion such insurance (together with self-insurance maintained pursuant to this Section 7) complies with this Section 7. Certificates issued after the Closing Date shall be in a form similar to those issued on or prior to the Closing Date.

(e) Performance by Lessor. In the event that Lessee shall fail to maintain insurance as herein provided, Lessor and/or Indenture Trustee may at its option, but without obligation, provide such insurance and, in such event, Lessee shall, upon demand from time to time, reimburse Lessor and/or Indenture Trustee for the cost thereof, together with interest on such cost at the Default Interest Rate computed from the date of payment of such cost to the date of reimbursement. Lessor and/or Indenture Trustee shall give Lessee prompt written notice of any such insurance.

(f) Proceeds. The proceeds of any insurance required under this Section 7 on account of damage constituting a Casualty Occurrence received by Lessee from an insurer or other Person or as an Association of American Railroads settlement shall be paid over forthwith upon receipt to Lessor. If no Event of Default, and no Incipient Default under subsections (a), (e) or (f) of Section 17 hereof, shall have occurred and be continuing, and if Lessee shall have made payment to Lessor or Indenture Trustee of the Casualty Loss Value for any Unit, Lessee shall be entitled to receive any insurance proceeds or Association of American Railroads settlement with respect to the related Casualty Occurrence (as defined in Section 11(b) hereof); provided that if the foregoing requirements have not been satisfied, all such proceeds shall be paid over forthwith upon receipt to Lessor. All casualty insurance proceeds in respect of any occurrence involving the Leased Equipment that does not constitute a Casualty Occurrence shall be paid to Lessee, provided that any damage to the Leased Equipment in respect of which such proceeds were paid has been fully repaired; and provided further

that if the amount of such proceeds in respect to any one occurrence exceeds \$250,000, Lessee shall have given proof reasonable satisfactory to Lessor that any such damage has been fully repaired.

(g) Separate Insurance. Nothing in this Section 7 shall be construed to prohibit any Participant from insuring at its own expense any Unit or its interest therein, and any insurance so maintained shall not provide for or result in a reduction of the coverage or the amounts payable under any of the insurance required to be maintained by Lessee under this Section 7.

(h) Definitions. For purposes of Section 7(c), the following definitions shall apply:

The "Underlying Policies" shall mean the insurance policy or policies of Lessee which provide the basic coverage described in Section (a) hereinabove.

The "Excess Policies" shall mean the insurance policy or policies of Lessee which supplement the Underlying Policies by providing coverage in amounts in excess of the amounts provided for in the Underlying Policies, by containing certain provisions that may be absent in the Underlying Policies or by otherwise adding to the insurance provided for in the Underlying Policies.

8. Additions and Improvements.

(a) Generally. Lessee shall be entitled from time to time during the term of this Lease to acquire and install, at Lessee's expense, such additions or improvements to the Leased Equipment which do not (i) impair the value, utility or remaining economic useful life and residual value of any Unit as originally delivered hereunder to Lessee, ordinary wear and tear excepted, or (ii) cause such Leased Equipment to be characterized as "limited use property" as that term is defined in Rev. Proc. 76-30, 1976-2C.B.647, or any successor pronouncement.

(b) Compliance with Law. Lessee agrees to make, at its own expense and without offset for Rent due hereunder, any addition or improvement required to be made to any Unit in order to satisfy Lessee's obligations set forth in Section 9(b) hereof.

(c) Severable Additions. (i) Should Lessee install, at its own expense, any addition or improvement on any Unit which is readily removable without causing damage to such Unit and which does not impair the value, utility or remaining economic useful life and residual value of such Unit as originally delivered hereunder to Lessee, ordinary wear and tear excepted, and provided that no Event of Default and no Incipient Default shall have occurred and be continuing, and provided further that such addition or improvement is not required by Section 9(a) or (b) hereof, Lessee shall have title to such addition or improvement and may remove such addition or improvement before such Unit is returned to Lessor. Lessee shall repair all damage to such Unit resulting from such installation and removal so as to restore such Unit to the condition in which it existed prior to the installation of such addition or improvement (ordinary wear and tear excepted). Lessee shall not be required to remove any such addition or improvement if the retention of such addition or improvement will not impair the value, utility or remaining useful life and residual value of such Unit in the possession of Lessor. Any addition or improvement not so removed shall become the property of Lessor upon such return, and title thereto or such ownership interests as Lessee shall have with respect to such addition or improvement shall vest thereupon in Lessor.

(ii) At least 150 days prior to the return of any Unit, Lessee shall notify Lessor in writing of any addition or improvement that Lessee intends to remove prior to such return. Following receipt of such notice, Lessor shall have the right to purchase any such addition upon the return of the subject Unit for the fair market value of such addition.

(d) Nonseverable Additions. Lessee shall not remove from any Unit any addition or improvement which is not readily removable without causing damage to such Unit. When made, any such addition or improvement shall, without further act, become the property of Lessor and title thereto shall vest in Lessor immediately.

9. Maintenance and Operation; Use and Location of Equipment.

(a) Generally. Lessee, at its own expense, will maintain, service, inspect, test and repair each Unit and from time to time make or cause to be made all necessary restorations thereto as are consistent with the standards to maintain, service, inspect, test and repair comparable equipment owned or leased by Lessee (or any of its Affiliates that owns or leases comparable equipment in comparable quantities), to the extent necessary that such Unit will remain (a) in as good working order and repair as when originally delivered to Lessee by the manufacturer thereof, ordinary wear and tear excepted, (b) in compliance with all applicable laws and regulations regarding maintenance and operation, including all FRA and AAR requirements, (c) in accordance with manufacturer's warranties and recommended maintenance procedures, if any, (d) in accordance with any insurance policies, (e) suitable for interchange and (f) in compliance with Section 9(b) hereof. In no event shall any Unit be maintained or serviced to a lesser standard of maintenance than that employed by Lessee for comparable equipment owned or leased by it. Any replacements made by Lessee to or upon any Unit shall be considered accessions to such Unit, title thereto or such ownership interests as Lessor shall have with respect to such Unit shall be immediately vested in Lessor and such replacement shall become part of the Trust Indenture Estate, without cost or expense to Lessor, but the replaced parts shall no longer be the property of Lessor, provided the replacements have a value, utility and remaining economic useful life at least equal to the replaced parts.

(b) Compliance with Law. Lessee agrees to comply with the maintenance and operation standards under the Interchange Rules of the AAR and all laws, rules, regulations, requirements and orders of all governmental authorities having jurisdiction with respect to the use, maintenance, condition and operation of each Unit (including, without limitation, all Environmental Laws and Hazardous Substance Laws) unless Lessee shall be contesting the validity thereof in good faith and by appropriate proceedings, but only so long as such proceedings (i) shall not involve any material risk of the sale, forfeiture or loss of such Unit, or any part thereof or interest therein, (ii) shall not result in, or involve any substantial probability of resulting in, the creation of any lien on or with respect to such Unit, or any part thereof or interest therein, which is not a Permitted Lien and (iii) shall not involve any risk of the imposition of civil or criminal fines or penalties on any Participant. Lessee will maintain all records, logs and other materials required by any governmental authority having jurisdiction to be maintained in respect of any Unit, regardless of upon which person any such requirements shall, by their terms, be nominally imposed. All such records, logs and other materials shall be the property of Lessor. Lessee, at its own expense, will procure and pay for all permits, franchises, inspections and licenses necessary or appropriate in connection with any Unit and any repair, restoration, replacement, renewal, addition or improvement thereof and thereto that may be required pursuant to the first sentence of this subsection (b).

(c) Lessor's Rights and Obligations. Neither Lessor nor Indenture Trustee or any Loan Participant shall be required to maintain, service or repair, or to make any repair, restoration, replacement, renewal, addition or improvement of any nature or description with respect to, any Unit, or, except to the extent specifically provided herein, to incur any such cost or expense in connection with this Lease. In the event Lessee fails or is unable to perform maintenance and repairs as provided herein, Lessor shall have the right, but not the obligation, to perform the same, and Lessee shall forthwith reimburse on an after-tax basis Lessor and Indenture Trustee, so long as the Lien of the Indenture is outstanding, as Supplemental Rent, for all costs and expenses incurred by such Participant in performing the same. Upon five Business Day's written or telephonic request of Lessor or, so long as the Lien of the Indenture shall not have been discharged, Indenture Trustee, Lessee shall provide to the party requesting such information the information Lessee has concerning the location of any Unit. Each Participant and its agents and employees shall have at all reasonable times during normal business hours (upon five Business Day's written or telephonic request and at any time when a Lease Event of Default shall have occurred and be continuing) and when accompanied by personnel of Lessee (which personnel will be made available to such Participant) the right of access to Lessee's premises where any Unit is located for the purposes of inspecting such Unit and its applicable maintenance records and observing its use and operation; however, Lessee shall bear the expense of any such inspection conducted while an Event of Default shall have occurred and be continuing. None of Lessor, Owner Participant or Indenture Trustee shall have any duty to make any such inspection nor shall any of them incur any liability or obligations by reason of not making any such inspection.

(d) Use and Location. Lessee shall use the Leased Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. Lessee agrees to use the Leased Equipment in conformity with all warranties of manufacturers and all insurance policies required to be maintained under Section 7 hereof, including, without limitation, the operation and location of such Leased Equipment only in areas not excluded from coverage by any insurance policy required to be maintained under Section 7 hereof. Lessee shall operate the Leased Equipment and permit the Leased Equipment to be located only in the continental United States, Canada and Mexico; provided that no more than 15% of the Units can be operated or located in Mexico at any time until such time as Lessee shall have delivered an opinion of counsel satisfactory to Lessor and Indenture Trustee in form and substance satisfactory to Lessor and Indenture Trustee (x) to the effect that all recordings and filings necessary to create a security interest (subject to no other Lien in favor of any Person) on the Units in favor of Indenture Trustee under the laws of Mexico have been made, no other filings or recordings are necessary to protect the right, title and interest of Lessor and Indenture Trustee in such Units under the laws of Mexico and Indenture Trustee has a valid security interest (subject to no other Lien in favor of any Person) in such Units under the laws of Mexico and (y) as to such other matters related thereto as Lessor or Indenture Trustee may reasonably request.

10. Title.

Lessor and Lessee agree that this is an agreement of lease only and nothing herein contained shall be construed as conveying to Lessee any right, title or interest in or to the Leased Equipment except as a lessee. Lessor and Lessee intend that the Leased Equipment is and shall remain personal property and each of them agrees that it will not take any action which would cause any Unit to lose such character. The Leased Equipment shall remain personal property regardless of the degree or manner of its attachment to realty and title thereto shall remain exclusively in Lessor subject to the security interest of Indenture Trustee. Lessee shall not do or permit any act or thing whereby Lessor's or Indenture Trustee's title or rights may be encumbered or impaired. Lessee agrees

that it will execute and deliver to Lessor and Indenture Trustee, as the case may be, all financing statements and continuation statements which are presented to Lessee as necessary or appropriate to perfect, confirm and protect the interests of Lessor and Indenture Trustee in and to the Leased Equipment and this Lease. Each of Indenture Trustee and Lessor may file with the proper filing or recording officers any other papers or documents which they deem necessary or appropriate for the protection of their interests hereunder, and Lessee further agrees to execute and deliver to Indenture Trustee and Lessor, upon their request, any and all further documents and instruments which Lessor or Indenture Trustee may reasonably require to perfect, confirm and protect their interests in and to the Leased Equipment and this Lease.

11. Risk of Loss and Payment of Casualty Loss Value.

(a) During the term of this Lease and for so long thereafter as the Leased Equipment remains in the possession of Lessee, Lessee shall bear the risk of and all responsibility for loss or damage to the Leased Equipment. Lessee agrees to indemnify and hold Lessor harmless against loss or damage caused by fire, lightning, tornadoes, hurricanes, wind storm, water damage, explosion, smoke and smudge, aircraft and motor vehicle damage, strikes, riots, civil commotion, vandalism, malicious mischief, burglary and theft and all other risks to the Leased Equipment.

(b) In the event that any Unit shall be or become lost, stolen, destroyed, suffer an actual or constructive total loss or, in Lessee's reasonable judgment, be irreparably damaged or contaminated or damaged beyond economic repair, from any cause whatsoever, be permanently returned to the manufacturer pursuant to any indemnity provision of the relevant Purchase Agreement, title thereto shall have been taken, condemned or requisitioned or, if resulting in loss of possession by Lessee for a period of more than 180 consecutive days or for a stated period which exceeds the then remaining term of this Lease with respect to such Unit, use thereof shall have been taken or requisitioned by condemnation or otherwise prior to the actual redelivery of such Unit to Lessor or such Unit shall be the subject of a casualty insurance payment on the basis of total loss with respect thereto (any such event herein called a "Casualty Occurrence"), Lessee shall fully inform Lessor and Indenture Trustee in regard thereto within thirty 30 days from the date a managerial employee of Lessee, who, in the normal performance of his or her operational responsibilities, would have knowledge of such Casualty Occurrence, first learns thereof. On or before the Casualty Loss Payment Date for such Unit, Lessee shall pay to Lessor in immediately available funds (in lieu of any payment of any Basic Rent otherwise due on such date) an amount equal to (i) all unpaid Basic Rent (other than any portion of unpaid Basic Rent designated as advance rent due on such Casualty Loss Payment Date), (ii) the Casualty Loss Value of such Unit and (iii) any unpaid Supplemental Rent. Upon the making of such payments by Lessee in respect to any Unit, (i) Basic Rent with respect to such Unit shall cease to accrue as of the date of such payment; (ii) the term of this Lease as to such Unit shall terminate; (iii) Lessee shall be entitled to retain possession of such Unit; and (iv) Lessor shall, upon request of Lessee, execute and deliver to, or upon the order of, Lessee a bill of sale in substantially the form of Exhibit A hereto for such Unit and (v) Lessor (or Indenture Trustee, so long as the Lien of the Indenture remains in place) shall obtain and/or execute and deliver any and all releases or termination statements to remove such Indenture Lien or any Lessor Liens. So long as no Event of Default and no Incipient Default shall have occurred and be continuing, any additional payment to Lessor in the form of AAR or railroad settlement or insurance maintained by Lessee as a result of the Casualty Occurrence shall be promptly paid to, and/or retained by, Lessee. Proceeds other than proceeds in the form of AAR or railroad settlement or insurance maintained by Lessee shall be distributed to Lessee and Lessor in accordance with their respective interests, provided that the

proceeds of any insurance maintained by Lessor or Owner Participant shall be paid to, and/or retained by, Lessor or Owner Participant (as the case may be).

Except as provided hereinabove in this Section 11(b), Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit after delivery to and acceptance thereof by Lessee hereunder and prior to termination of this Lease and delivery by Lessee to Lessor of the Leased Equipment pursuant to and in accordance with Section 16 hereof.

(c) So long as no Event of Default and no Incipient Default shall have occurred and be continuing, and provided that Owner Participant has received at least 60 days' prior written notice of Lessee's intention to replace a Unit subject of a Casualty Occurrence and has not received on or prior to the proposed date for such replacement a tax opinion from its independent tax counsel to the effect that there would be adverse tax consequences or, if it has received such an opinion, has been indemnified by Lessee (guaranteed by the Guarantor), in form and substance satisfactory to the Owner Participant, for any such identified adverse tax consequences, Lessee may, in lieu of payment of all or a portion of the Casualty Loss Value for such Unit due and owing as provided in subsection (b) above, on or prior to the Casualty Loss Payment Date, convey or cause to be conveyed to Lessor, as replacement for any such Unit with respect to which a Casualty Occurrence occurred, title to a Replacement Unit free and clear of all Liens other than Permitted Liens and having a value, utility, remaining economic useful life and residual value at least equal to, and being in as good operating condition as, such Unit with respect to which a Casualty Occurrence occurred, assuming such Unit was in at least as good condition and repair as required by the terms hereof immediately prior to the occurrence of such Casualty Occurrence. Prior to or at the time of any such conveyance, Lessee, at its own expense, will furnish Lessor with a seller's full warranty bill of sale, in form and substance reasonably satisfactory to Lessor, with respect to such Replacement Unit. Upon full compliance by Lessee with the terms of this subsection (c) as determined by Lessor in good faith, Lessor will transfer to Lessee, without recourse or warranty (except as to the absence of Lessor Liens) and subject to a disclaimer satisfactory to Lessor of all liabilities, including, without limitation, tort and negligence with respect to such Unit, all of Lessor's right, title and interest, if any, in and to such replaced Unit with respect to which a Casualty Occurrence occurred. For all purposes hereof, each such Replacement Unit shall, after such conveyance, be deemed part of the property leased hereunder and shall be deemed a "Unit" as defined herein. No Casualty Occurrence with respect to a Unit under the circumstances contemplated by the terms of this Section 11(c) shall result in any reduction in Basic Rent.

12. Disclaimer of Warranties and Representations.

LESSEE ACKNOWLEDGES THAT (i) EACH UNIT IS OF THE DESIGN AND MANUFACTURE SELECTED BY LESSEE, (ii) EACH UNIT IS SUITABLE FOR LESSEE'S PURPOSES AND (iii) NEITHER LESSOR NOR ANY OTHER PARTICIPANT IS A MANUFACTURER OR DEALER IN SUCH PROPERTY. LESSEE ACKNOWLEDGES THAT NEITHER LESSOR NOR ANY PARTICIPANT MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE DESIGN, OPERATION OR CONDITION OF THE UNITS OR AS TO THE TITLE, VALUE, OR MERCHANTABILITY OF THE UNITS, OR AS TO THE FITNESS OF THE UNITS FOR ANY PARTICULAR USE OR PURPOSE, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE UNITS AND UNDER NO CIRCUMSTANCES WHATSOEVER SHALL

LESSOR OR ANY PARTICIPANT BE LIABLE OR RESPONSIBLE TO LESSEE FOR ANY CONSEQUENTIAL DAMAGES. Notwithstanding the foregoing, Lessor hereby represents and warrants that on the Closing Date Lessor shall have received whatever interest in or title to the Leased Equipment is conveyed to it by Lessee free and clear of Lessor Liens attributable to it. Lessee agrees that (except for the Guarantee) the only other guarantees or warranties made with respect to any such Unit are those made by the seller or manufacturer thereof and the parties agree that they shall cooperate, at Lessee's expense, in enforcing such guarantees and warranties when such action is necessary. So long as no Event of Default and no Incipient Default shall have occurred and be continuing, Lessor hereby assigns to Lessee, for and during the term of this Lease, any applicable seller or manufacturer warranty or indemnification (excluding any manufacturer refunds or other similar payments reflecting a decrease in value of any such Unit) issued on or applicable to any such Unit, and Lessor hereby authorizes Lessee during the term of this Lease to obtain, at Lessee's sole expense, any and all services, warranties or amounts to be used to repair any such Unit (and such amounts shall be used by Lessee to repair such Unit) furnished in connection therewith by any seller or any manufacturer.

13. Identification Marks.

Lessee will cause each Unit to be kept numbered with the identification number set forth in Schedule 1 hereto of such Unit and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT", or other appropriate words designated by Indenture Trustee or, after the Lien of the Indenture shall have been released or discharged, Lessor with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's title and Indenture Trustee's interest in such Unit, the rights of Lessor under this Lease and the Purchase Agreement Assignment and the rights of the Indenture Trustee under the Indenture. Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, obliterated, defaced or destroyed. Lessee will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with Lessor and filed and deposited on behalf of Lessee by Special ICC Counsel (who shall have agreed to deliver copies of the ICC stamped copies of such statements to Lessor and Indenture Trustee as soon as possible after the same are available) in all public offices where this Lease or a memorandum thereof or the Purchase Agreement Assignment or a memorandum thereof respecting such Unit shall have been filed and deposited and (ii) Lessee shall have furnished Lessor and Indenture Trustee an opinion of counsel to the effect that such statement has been so filed and deposited, such filing and recordation constitutes notice to and is enforceable against all persons and no other filing, deposit registration or recordation with or to any other federal, state or local government or agency thereof is necessary to protect the interests of Lessor and Indenture Trustee in such Units; provided that Lessee shall not be required to deliver the opinion of counsel referred to in this clause (ii) with respect to any changed identification numbers so long as the aggregate number of Units, the identification numbers of which have been changed during the term of this Lease for which no such opinion has been delivered, does not exceed 10% of all of the Units included in the Leased Equipment hereunder. The Units may be lettered with the names or initials or other insignia customarily used by Lessee or any Affiliates. Except as provided herein, Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

14. Liens, Encumbrances and Rights of Others.

Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien, on or with respect to any of the Leased Equipment, title thereto or any interest therein except Permitted Liens. Lessee will promptly notify Lessor and Indenture Trustee in writing of any Lien, which arises and is not a Permitted Lien at any time on or with respect to any of the Leased Equipment, title thereto or any interest therein and will promptly, at Lessee's expense, cause any of the same to be bonded (in an amount and by persons reasonably satisfactory to Owner Participant and Indenture Trustee) or duly discharged, dismissed or removed as soon as possible, but in any event within 45 days after the existence of the same shall have first become known to Lessee.

15. Notices.

All notices herein required shall be deemed to have been duly given when made and given in accordance with the provisions of Section 12(a) of the Participation Agreement.

16. Return of Leased Equipment.

(a) Upon the termination of this Lease with respect to any Unit, by expiration hereof, by termination pursuant to Section 4(b) hereof, or on account of default, each Unit shall be free and clear of all Liens (except Liens included in item (v) of the definition of Permitted Liens), shall be in the condition and repair required to be maintained during the term hereof under Section 9 and this Section 16, shall be free of any marks, special paint or insignias other than markings required for identification by the Interstate Commerce Commission, the FRA and the AAR and shall be structurally sound, normal wear and tear excepted, and without any material mechanical damage or need of any material repair or reconditioning. Lessee will, on or prior to such termination and at Lessee's expense and risk, (i) to the extent applicable, completely sever and disconnect each Unit from Lessee's property, all without any liability of Lessor to Lessee, or to anyone claiming by, through or under Lessee, for damage or loss caused by such severance and/or disconnection; (ii) to the extent applicable, prepare such Unit so as to be fit for loading and interchange service; (iii) subject to Section 16(b) hereof, deliver possession of such Unit clean and free of Hazardous Substances and any other accumulations and deposits to Lessor at a Redelivery Location (as defined below) or an Alternate Redelivery Location (as defined below), together with plans, specifications and other warranties and documents furnished by the manufacturer or Seller of such Unit and other documents reasonably accessible to Lessee relating to the maintenance and operation of each such Unit; and (iv) allow restencilling of the marks on the Units at the direction of Lessor while in storage, provided that, if at Lessor's direction, Lessee shall move out of storage such Units in interchange service prior to restencilling, all cost, expense and liability, including railroad running repairs and mileage charges, incurred during such movement will be paid for by Lessor, but in no event shall any Units be moved or loaded prior to restencilling.

Charges for storage at the Redelivery Locations (as defined below) or Alternate Redelivery Locations (as defined below) shall be at Lessee's risk, cost and expense for the first 60 days and thereafter for up to 120 additional days at Lessor's risk, cost and expense, and shall be computed on the basis of the actual cost for storage at any Alternate Redelivery Location and at the then prevailing fair market rates for such storage for storage at the Redelivery Location. Any incremental expenses incurred by Lessee associated with the cost of removal of any Unit from a

Redelivery Location (as defined below) or an Alternate Redelivery Location (as defined below) shall be at Lessor's expense.

(b) Lessee shall designate and notify Lessor of up to 3 industrial plants of Lessee ("Redelivery Locations") each such Redelivery Location to be within 100 miles of a major rail interchange point, or to the extent such capacity is not available at Lessee's plants, alternate sites reasonably acceptable to Owner Participant and Lessee ("Alternate Redelivery Locations") not later than 120 days prior to the termination of this Lease with respect to any Units. Lessee shall further notify Owner Participant, not less than 60 days prior to the actual redelivery of such Units, of the Redelivery Location or Alternate Redelivery Location, as the case may be.

For purposes of this Section 16, the storage period shall begin upon written notice (specifying the location and identification numbers of such Units) of the actual redelivery of no fewer than all of the Units then subject to this Lease to any Redelivery Location or Alternate Redelivery Location. Upon such redelivery, Lessee's obligation for Basic Rent with respect to the Units so redelivered shall terminate. Notwithstanding the foregoing, if Lessee notifies Owner Participant that capacity is not available at the Redelivery Location or Alternative Redelivery Location for storage of such Block of Units, then Lessee may redeliver and store the Units at not more than two such Redelivery Locations or Alternate Redelivery Locations which are within a fifty mile radius of each other. Upon redelivery of any Units and acceptance thereof by Lessor, Lessor shall have the right to sell such Units to a third party.

(c) Lessee agrees with Lessor that Lessor or its representative shall have the right to inspect the Units within a reasonable period following notification of actual redelivery of the Units, and in the event Lessor shall so inspect, it shall forthwith thereafter notify Lessee of its acceptance or exceptions to acceptance of the Units. Lessor shall in any event notify Lessee of the Units that do not meet the physical condition required by Section 16(a) within 60 days following notification of actual redelivery thereof. Lessor's acceptance of the returned Units shall be evidenced by the absence of any timely notice described in the preceding sentence or by a written certificate of acceptance specifying the Units accepted by Lessor. Upon written request of Lessor, Lessee shall have a representative available to assist in such inspections. Lessee will thereafter promptly make necessary repairs on Units that do not meet the conditions of Section 16(a), notifying Lessor upon completion, whereupon Lessor will reinspect such Units within a reasonable period following such notice. The process will be repeated until all Units which Lessor has inspected have been accepted. Lessee shall have no further repair obligation under this Section 16(c) with respect to any Unit which Lessor shall have accepted.

(d) Holdover rent (equal to the average Basic Rent for such Unit payable during the Basic Term divided by 180) will be assessed for each Unit not redelivered as and when required by this Section 16 for each day such Unit is not so redelivered until Lessee shall have delivered to Lessor the notice of actual delivery of such Unit (or, if not included in such notice, Lessee makes such actual delivery) in accordance with subsection (b) of this Section 16; provided that no such holdover rent shall be assessed or payable for any day during the period beginning on the Expiration Date and ending 30 days after the Expiration Date, it being Lessor's intention to allow Lessee a 30 day grace period to assemble and deliver the Leased Equipment hereunder. In the event any such Unit is not redelivered as and when required by this Section 16 and such holdover shall continue for a period in excess of 180 days, then Lessee shall pay to Lessor, promptly and in any event not later than the 190th day after the scheduled return date for such Unit, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to (i) the greater of (x) the Termination Value thereof and

(y) the Fair Market Value thereof, plus (ii) all Basic Rent, holdover rent and other Supplemental Rent then due, accrued and owing hereunder.

17. Default.

The following events shall constitute Events of Default hereunder:

(a) Lessee or, on Lessee's behalf, Guarantor shall fail to make any payment of Lessee Interim Rent, Basic Rent, Casualty Loss Value, Termination Value, Early Purchase Option Price, any advance of Lessor Amount required to be made under Section 5(c) hereof or any payment required to be made by Lessee under Section 16(c) or (d) of the Participation Agreement, and any related payment of Supplemental Rent (including, without limitation, any Make-Whole Premium) within 10 days after such payment is due;

(b) Lessee shall fail to maintain insurance as provided by Section 7 hereof;

(c) Lessee shall fail to make any other payment, or shall fail in any material respect to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder or under any other Operative Agreement (other than as set forth in Section 5 of the Tax Indemnity Agreement), or Guarantor shall fail in any material respect to perform or observe any covenant, condition or agreement to be performed or observed by it under the Guarantee, and (so long as such failure is capable of being cured), in either case, such failure (other than a failure under Section 14 hereof) shall continue unremedied for a period of 30 days after written notice thereof to Lessee by Lessor or Indenture Trustee, provided that Lessee shall have up to 180 additional days to remedy such failure if Lessee is diligently pursuing such remedy;

(d) Any representation or warranty made by Lessee herein or in any other Operative Agreement (other than the Tax Indemnity Agreement) or by Guarantor in the Guarantee or the Participation Agreement or by either such party in any certificate furnished to Lessor, Owner Participant, any Loan Participant or Indenture Trustee in connection herewith or therewith shall prove to be incorrect in any material respect when made and, if such misrepresentation is capable of being corrected and if such correction is being sought diligently, such misrepresentation shall continue unremedied for a period of 30 days following notice thereof being given to Lessee;

(e) Lessee or Guarantor shall (i) apply for or consent to the appointment of a trustee, receiver, liquidator, custodian or similar official of Lessee or Guarantor or for all or substantially all of their respective property, (ii) be unable, or admit in writing the inability, to pay its debts as they mature, (iii) make an assignment for the benefit of creditors, (iv) commence a voluntary case, under a chapter of the Bankruptcy Code or other applicable Federal, state or foreign bankruptcy, insolvency or other similar law, (v) file a petition or answer seeking reorganization or an agreement with creditors or to take advantage of any insolvency law or other law providing for the relief of debtors or an answer consenting to or admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding, or (vi) take any corporate action for the purpose of effecting any of the foregoing;

(f) An involuntary case under a chapter of the Bankruptcy Code shall be commenced, or any other proceeding shall be instituted without the application, approval or consent of Lessee or Guarantor, as applicable, seeking in respect of Lessee or Guarantor, as applicable,

reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator, custodian or similar official of Lessee or Guarantor, as applicable, or of all or any substantial part of its assets or other like relief or the issuance of a writ of attachment, execution or similar process in any amount against a substantial part of the property of Lessee or Guarantor, as applicable, and such proceedings shall continue unstayed and in effect for any period of 60 consecutive days; and

(g) Guarantor shall repudiate the Guarantee in writing or the Guarantee shall otherwise cease to be in full force and effect, subject to Section 19 hereof.

18. Remedies.

Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default (provided that this Lease shall be deemed to be declared in default without the declaration thereof upon the occurrence of an Event of Default described in Section 17(e) or (g) hereof), and at any time thereafter Lessor may do one or more of the following with respect to any Unit of the Leased Equipment as Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with, any mandatory requirements of applicable law then in effect:

(a) Lessor may cause Lessee, upon the written demand of Lessor and at Lessee's expense, to return promptly any Unit or the Leased Equipment to Lessor at the location designated by Lessor, in the condition and otherwise in accordance with all of the terms of Sections 9 and 16 hereof, or Lessor, at its option, may enter upon the premises where such Unit or the Leased Equipment is located, if this can be done without breach of the peace and take immediate possession of and remove such Unit or the Leased Equipment or by summary proceedings or otherwise, all without liability of Lessor, Indenture Trustee or any Loan Participant to Lessee for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by and reasonably necessary to such taking or otherwise.

(b) With or without taking possession thereof, Lessor may sell any Unit or the Leased Equipment at public or private sale, with notice to Lessee but with or without advertisement as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle any Unit or the Leased Equipment as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto except to the extent required by paragraph (d) below in the event Lessor elects to exercise its rights under said paragraph in lieu of its rights under paragraph (c) below.

(c) Whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (a) or paragraph (b) above, Lessor, with respect to any Unit, by written notice to Lessee specifying a payment date not earlier than 15 days from the date of such notice ("Payment Date"), may cause Lessee to pay to Lessor, on the Payment Date, as liquidated damages for loss of a bargain and not as a penalty, (A) any unpaid Supplemental Rent and (B) any unpaid Basic Rent with respect to such Unit due up to and including the Rental Payment Date (or the date which would have been such Rental Payment Date but for the termination of this Lease) immediately preceding the Payment Date other than any portion of unpaid Basic Rent designated as advance rent due on such Rental Payment Date to the extent not yet earned, and (C) whichever of the

following amounts Lessor, in its sole discretion, shall specify in such notice (together with interest on such amounts at the Default Interest Rate from the Payment Date to the date of actual payment):

(i) an amount equal to the Casualty Loss Value of such Unit, such Casualty Loss Value to be computed as of the Payment Date; provided that if Lessee shall have made such payment in full, Lessor, at its election, shall either (A) convey and sell to Lessee such Unit (whether or not such Unit was returned to Lessor) "as-is, where-is", without recourse or warranty of any kind except for the absence of Lessor Liens, or (B) use reasonable efforts to promptly sell such Unit in accordance with all applicable laws and after such sale pay over to Lessee, as and when received, the net proceeds of any such sale up to the amount of such Casualty Loss Value; provided that, in respect of clause (A) above, neither Indenture Trustee nor any Loan Participant shall have any liability in respect of the discharge of any Lessor Liens;

(ii) an amount equal to the excess, if any, of the Casualty Loss Value referred to in clause (i) above over the Fair Market Rental Value (computed as hereafter in this Section 18 provided) of such Unit for the remainder of the initial term of this Lease or any renewal term then in effect hereunder of such Unit after discounting at a discount rate equal to the Default Interest Rate such Fair Market Rental Value on such periodic basis as Basic Rent is payable hereunder to the net present value as of the Payment Date; or

(iii) an amount equal to the excess, if any, of the Casualty Loss Value referred to in clause (i) above over the Fair Market Value (computed as hereafter in this Section 18 provided) of such Unit as of the Payment Date.

(d) In the event Lessor, pursuant to paragraph (b) above, shall have sold any Unit, Lessor, in lieu of exercising its rights under paragraph (c) above with respect to such Unit, may, if it shall so elect, cause Lessee to pay Lessor, as liquidated damages for loss of a bargain and not as a penalty, (i) any unpaid Supplemental Rent, (ii) any unpaid Basic Rent with respect to such Unit due up to but not including the Rental Payment Date (or the date which would have been such Rental Payment Date but for the termination of this Lease) immediately preceding the date of such sale, provided that such payment of Basic Rent is not designated on Schedule 4 to this Lease relating to such Unit as payable in advance and (iii) the amount of any deficiency between the net proceeds of such sale and the Casualty Loss Value of such Unit computed as of the date of such sale, together with interest at the Default Interest Rate on the amount of such deficiency from the date of such sale until the date of actual payment.

(e) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to terminate or rescind this Lease as to any Unit or the Leased Equipment.

In addition, Lessee shall be liable for any and all unpaid Supplemental Rent due hereunder before, after or during the exercise of any of the foregoing remedies and for all reasonable legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit in accordance with the terms hereof, the sale of any Unit as provided in this Section 18 or the placing of such Unit in the condition required hereunder.

Except as otherwise expressly provided above, no remedy referred to in this Section 18 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such other remedies. No express or implied waiver by Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to initiate any judicial proceedings in connection with the Leased Equipment or to give any notice or to sell, lease or otherwise use any Unit in mitigation of Lessor's damages as set forth in this Section 18 or which may otherwise limit or modify any of Lessor's rights or remedies under this Section 18.

19. Assignment.

(a) This Lease shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

(b) Provided that no Event of Default and no Incipient Default shall have occurred and be continuing, and provided further that in no event shall the aggregate number of Lessees hereunder at any one time exceed three, Lessee may assign any or all of its rights hereunder (i) without the consent of Lessor (A) to an Affiliate organized under the laws of any state of the United States or (B) to any other person so long as the Guaranty remains in full force and effect, and (ii) with Lessor's and, so long as the Indenture is effective, Indenture Trustee's prior written consent, which consents shall not be unreasonably withheld to any other Person (organized under the laws of any state of the United States) which is not affiliated with Lessee or Guarantor. The parties hereto agree that the primary criteria to be used in determining whether Lessor's or Indenture Trustee's withholding of its consent with respect to any particular assignment was reasonable shall consist of the proposed assignee's credit quality and net worth and Owner Participant's and Loan Participants' then existing exposure to such assignee's credit and their opportunity to conduct and conclude a due diligence investigation with respect to such assignee to their reasonable satisfaction; provided that Lessor's and Indenture Trustee's consent shall be deemed not to have been unreasonably withheld if it was withheld primarily on the basis of the regulatory constraints of Owner Participant or its parent or Loan Participants (as the case may be) or a credit policy determination made by Owner Participant's credit committee or Loan Participants' credit committees (as the case may be) or other body exercising similar responsibility. Upon delivery to Lessor of all supplements, filings, memoranda, documents and instruments required pursuant to Section 18 of the Participation Agreement and an assumption agreement with respect to an assignment permitted by this paragraph (b) of Section 19 which is in form and substance reasonably satisfactory to Lessor, under which the assignee shall assume liability for the payment of Basic Rent, Supplemental Rent, Casualty Loss Values, Termination Values, Early Purchase Option Price and any other amounts owing by Lessee under this Lease and all other Operative Agreements and for the full performance of all the terms, covenants and conditions of Lessee set forth in this Lease and all other Operative Agreements, Lessee, and Guarantor, in the case of an assignment permitted by clause (ii) above, shall be fully discharged from their obligations under the Lease, the Guarantee and all other Operative Agreements, respectively, with respect to events and obligations occurring after the date of such assignment and assumption. If less than all of the Leased Equipment shall have been assigned, the assignee shall execute a new lease agreement, tax indemnity agreement and participation agreement in substantially the form of, and containing terms and conditions that are substantially the same as, and in any event no less advantageous to Lessor, as

lessor, and such assignee, as lessee, and to the other parties to the Participation Agreement, than are the terms and conditions contained in this Lease, the Tax Indemnity Agreement and the Participation Agreement.

In connection with any assignment permitted under this Section 19(b), unless there shall have been a Change in ERISA Law as a result of which (I) the general account assets of insurance companies will not be treated as Plan Assets or (II) that is the issuance of a final prohibited transaction class exemption whose applicable terms are substantially the same as the terms of the Proposed Exemption, each Holder and Owner Participant shall have received at least 10 days prior notice of such assignment specifying (A) the identity of the assignee and (B) the name of each Benefit Plan with respect to which the assignee is an employer or to which it contributes. If such Holder shall have objected to the assignment on the basis of the information so provided in such notice, (x) the assignee shall have agreed as part of the assumption agreement referred to herein to pay such Holder a Make Whole Premium in connection with any amounts payable in connection with a forced refinancing or forced transfer of such Holders' Notes under Section 16(c) of the Participation Agreement and (y) in the case of an assignment permitted by clause (i) above, the Obligations (as defined in said Guaranty) shall expressly include the obligation of the assignee to pay such Make Whole Premium as set forth herein. Prior to or concurrently with any such assignment hereunder, Lessee shall deliver to Owner Trustee, Indenture Trustee and Owner Participant a certificate signed by the chief financial officer of president of Lessee stating that such assignment hereunder complies with this paragraph and that all conditions precedent related thereto have been satisfied and an opinion of counsel reasonably satisfactory to Owner Participant and Indenture Trustee to the effect that the assumption agreement and the other documents or agreements that are required to be executed hereunder are the legal, valid and binding obligation of such successor entity, enforceable against such Person in accordance with its terms.

(c) Lessee hereby acknowledges that this Lease has been assigned to Indenture Trustee pursuant to the Indenture, that Lessee has received an executed copy of the Indenture and that Lessee consents to said assignment, subject to the rights of Lessee under this Lease. In the case of conflict between Lessor and Indenture Trustee as to said assignment, Lessee shall have the right of interpleader. Indenture Trustee, as such assignee, shall not be obligated to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Lease other than the obligation of Lessor under Section 21 hereof. Lessee further agrees as follows:

(i) for so long as the Lien of the Indenture shall not have been discharged, to pay and deliver to Indenture Trustee, as provided in the Indenture, all Rents and other sums due hereunder (including, without limitation, amounts payable in respect of Lessee's exercise of its purchase option pursuant to Section 6(b)(iii) hereof) and all other moneys and security assigned (in each case, other than Excepted Payments) to Indenture Trustee, without any offset, counterclaim, deduction or defense whatsoever, and not to assert any offset, counterclaim, deduction or defense in any proceeding brought under the Indenture or otherwise or for any reason whatsoever seek to recover from Indenture Trustee any moneys paid to Indenture Trustee by virtue of said assignment;

(ii) that the obligation to make the payments to Indenture Trustee of Rent and other sums payable to Lessor under this Lease shall be absolute and unconditional under any and all circumstances and shall not be affected by any circumstances of any character;

(iii) to deliver to Indenture Trustee copies of all notices, offers and other instruments whatsoever which Lessee delivers to Lessor under this Lease;

(iv) that, except as otherwise provided in any Operative Agreement to which Indenture Trustee is a party, the rights, powers, privileges and other benefits assigned to Indenture Trustee and all remedies under this Lease may be enforced by Indenture Trustee separate and apart from, and without notice to or consent or joinder of, Lessor or any mortgagee, secured party or other assignee of the rights, powers, privileges or other benefits under this Lease not assigned to Indenture Trustee pursuant to the Indenture;

(v) to waive as against Indenture Trustee, its successors and assigns, all claims now or hereafter existing against Lessor under this Lease;

(vi) that it shall not, without the prior written consent of Indenture Trustee, enter into any agreement amending, modifying or terminating (except as provided herein) this Lease and that any attempted amendment, modification or termination without such consent shall be void, provided that consent by Indenture Trustee to any one amendment, modification or termination shall not be deemed to be consent to any other amendment, modification or termination;

(vii) that it shall remain obligated under this Lease in accordance with its terms and that it shall not take any action to terminate (except as provided herein), rescind or void this Lease, notwithstanding any default by Lessor, the existence of any defense, setoff, counterclaim or right of abatement, reduction or recoupment as between Lessor and Lessee, the existence of any other liability or obligation of any kind or character on the part of Lessor to Lessee or to any third person or governmental authority, or any bankruptcy or other proceedings affecting Lessor or any assignee thereof or any action taken by any trustee, custodian or receiver of Lessor or of any such assignee or by any court in any such proceeding; and

(viii) that it shall pay or cause to be paid all of the out-of-pocket costs and expenses incurred by Owner Participant, Lessor, Indenture Trustee and any Holder in connection with any amendment to this Lease or the Guarantee or required by any Operative Agreement.

20. Waivers.

Lessor's failure at any time to require strict performance by Lessee of any of the provisions hereof shall not waive or diminish Lessor's right thereafter to demand strict compliance therewith or with any other provision. Waiver of any default shall not waive any other default. Failure by Lessor to collect the Rent reserved herein or any other sums as and when the same fall due, or to exercise its right to take possession of the Leased Equipment as herein provided, shall not waive or in any way affect Lessor's rights under this Lease or extend the time for making said payments. None of the conditions or provisions of this Lease shall be held to have been waived by any act or knowledge of Lessor, its agents or employees, but only by an instrument in writing signed by an officer of Lessor and, so long as the Indenture is effective, Indenture Trustee, and delivered to Lessee.

21. Quiet Enjoyment.

Lessor covenants that Lessee and its permitted successors and assigns, so long as no Event of Default has occurred and is continuing hereunder, may and shall peaceably and quietly have, hold, possess, use and enjoy the Leased Equipment as provided in this Lease without suit, molestation or interruption by Lessor or by reason of Lessor's acts.

22. Further Assurances.

Lessee hereby agrees promptly and duly to execute and deliver to Lessor or Indenture Trustee such further documents and assurances and take such further action as the same may from time to time reasonably request in order more effectively to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor and Indenture Trustee hereunder and under the Indenture.

23. Lessor's Right to Perform for Lessee.

If Lessee fails to make any payment of Supplemental Rent required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, Lessor may itself make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the Default Interest Rate, shall be deemed Supplemental Rent, payable by Lessee upon demand. No such payment or performance shall be deemed to waive any default or relieve Lessee of its obligations hereunder.

24. General.

This Lease shall be governed by the laws of the State of New York (excluding its rules relating to conflict of laws) and constitutes the entire lease agreement between the parties. No other lease agreement, oral or written, express or implied, has been made between the parties. This Lease may not be amended, changed, modified or altered except by the written agreement of the parties hereto and, so long as the Indenture is in force, without the written consent of the Indenture Trustee. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Notwithstanding any provision hereof to the contrary, any payment required under this Lease which is due on a day which is not a Business Day may be paid, without interest charge for such delay, on the next day which is a Business Day; provided that if the date on which the Rent or any other amount hereunder shall be paid to Indenture Trustee pursuant to Section 19(c) hereof to be applied in satisfaction of the payment of the aggregate outstanding principal amount of the Notes (whether due and payable by acceleration or otherwise) shall not be a Business Day, then the corresponding payment hereunder due on such day shall be paid on the next Business Day and shall be increased by an amount equal to the accrued interest due on such Notes for such delay in payment. The table of contents, captions and section headings herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

THIS LEASE WILL BE SIMULTANEOUSLY EXECUTED IN COUNTERPARTS, EACH OF WHICH, WHEN SO EXECUTED AND DELIVERED, SHALL CONSTITUTE AN ORIGINAL, FULLY ENFORCEABLE COUNTERPART FOR ALL PURPOSES EXCEPT THAT ONLY THE COUNTERPART STAMPED OR MARKED "COUNTERPART NUMBER 1", THE RECEIPT OF WHICH HAS BEEN ACKNOWLEDGED BY ASSIGNEE, SHALL CONSTITUTE "CHattel PAPER" OR OTHER "COLLATERAL" WITHIN THE MEANING OF THE UNIFORM COMMERCIAL CODE IN EFFECT IN ANY JURISDICTION.

IN WITNESS WHEREOF, the parties have duly executed this Lease as of the day first above written.

LESSOR:

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION,
not in its individual capacity but
solely as Owner Trustee

By: 
Title: Assistant Vice President

Address: Corporate Trust
Norwest Center
600 S. 6th Street
Minneapolis, MN 55479-0069

LESSEE:

OXY PETROCHEMICALS INC.

By: _____
Title:

Address: Corporate Office
Occidental Tower
P.O. Box 809050
Dallas, Texas 75380
Attention: Debt Compliance

Copy to: Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: Vice President
and Treasurer

THIS LEASE WILL BE SIMULTANEOUSLY EXECUTED IN COUNTERPARTS, EACH OF WHICH, WHEN SO EXECUTED AND DELIVERED, SHALL CONSTITUTE AN ORIGINAL, FULLY ENFORCEABLE COUNTERPART FOR ALL PURPOSES EXCEPT THAT ONLY THE COUNTERPART STAMPED OR MARKED "COUNTERPART NUMBER 1", THE RECEIPT OF WHICH HAS BEEN ACKNOWLEDGED BY ASSIGNEE, SHALL CONSTITUTE "CHattel PAPER" OR OTHER "COLLATERAL" WITHIN THE MEANING OF THE UNIFORM COMMERCIAL CODE IN EFFECT IN ANY JURISDICTION.

IN WITNESS WHEREOF, the parties have duly executed this Lease as of the day first above written.

LESSOR:

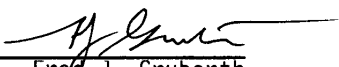
NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION,
not in its individual capacity but
solely as Owner Trustee

By: _____
Title:

Address: Corporate Trust
Norwest Center
600 S. 6th Street
Minneapolis, MN 55479-0069

LESSEE:

OXY PETROCHEMICALS INC.

By: 
Name: Fred J. Gruberth
Title: Vice President and Treasurer

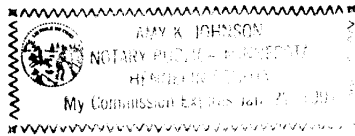
Address: Corporate Office
Occidental Tower
P.O. Box 809050
Dallas, Texas 75380
Attention: Debt Compliance

Copy to: Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: Vice President
and Treasurer

ICC ACKNOWLEDGMENT

State of Minnesota)
) ss.:
County of Hennepin)

On this 25th day of December, 1995, before me personally appeared **Raymond S. Haverstock** to me known, who, being by me duly sworn, did depose and say that she/he resides at Mpls, MN; that she/he is the Assistant Vice President of NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, the corporation described in and which executed on such day the foregoing instrument; and that she/he signed her/his name thereto by authority of the Board of Directors of said corporation.



Amy K. Johnson
Notary Public - Minnesota
Hennepin County
My Commission Expires _____

ICC ACKNOWLEDGMENT

State of California)
) ss.:
County of Los Angeles)

On January 20 1995, before me, Maureen Kennedy, the undersigned notary public, personally appeared Fred J. Gruber, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Maureen Kennedy
Notary Public - California
Los Angeles County
My Comm. Expires 08/28/98

DEFINITIONS

"AAR" shall mean the Association of American Railroads.

"Affiliate" of any Person shall mean any entity of which 50% or more of its issued and outstanding shares of voting stock is owned, directly or indirectly, by such Person.

"Appraisal" shall have the meaning specified in Section 3(b)(xiii) of the Participation Agreement.

"Appraisal Procedure" shall mean the following for determining the Fair Market Value or Fair Market Rental Value of any Unit or property (at any time other than in connection with an Event of Default): If any party shall have given written notice to the other requesting determination of such value, the parties shall attempt to agree upon such value, and, failing such agreement within twenty (20) days after the giving of such notice, the parties shall consult for the purpose of appointing one qualified independent appraiser by mutual agreement. If no such appraiser shall be so appointed within thirty (30) days after such notice shall have been given, each party shall appoint an independent appraiser (which shall not be a manufacturer of such property) within thirty-five (35) days after such notice shall have been given, and the two appraisers so appointed shall within forty (40) days after such notice shall have been given appoint a third independent appraiser (which shall not be a manufacturer of such property). If no such third appraiser shall be so appointed within forty (40) days after such notice shall have been given, either party may apply to the American Arbitration Association (or any successor thereto) for the appointment of an appraiser and both parties shall be bound by any appointment made by such Association. Each appraiser appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Value or Fair Market Rental Value, as the case may be, of the property in question within thirty (30) days after his appointment. If the parties shall have appointed a single appraiser, his determination of value shall be final and binding as the Fair Market Value or the Fair Market Rental Value, as the case may be. If three appraisers shall have been appointed as hereinabove set forth, the values determined by the three appraisers shall be averaged, the determination which shall differ the most from such average shall be disregarded, the remaining two determinations shall be averaged, and such average shall be final and binding as the Fair Market Value or the Fair Market Rental Value, as the case may be. Such parties shall equally bear all expenses of such appraisers, provided that if three appraisers are chosen, such parties shall each bear all expenses of its chosen appraiser, and further provided that if the appraisal is requested in connection with the exercise of any remedies described in the Operative Agreements or in connection with a rescinded notice to purchase or renewal given pursuant to Section 6 of the Lease, all expenses of such appraisers shall be borne by Lessee.

"Assigned Agreements" shall mean, collectively, the Participation Agreement, the Lease, the Guarantee, the Purchase Agreement Assignment (including the consent of the manufacturer) and each Bill of Sale.

"Bankruptcy Code" shall mean the Bankruptcy Code of 1978, as amended (11 U.S.C. Section 101, et seq.).

"Basic Rent" for any Unit, subject to the adjustments provided for in Section 5(d) of the Lease, shall mean for the Basic Term as of any Rental Payment Date for such Unit an amount equal to the product of the Lessor's Cost of such Unit multiplied by the percentage listed under the caption "% EC Total" on Schedule 3 to the Lease opposite such Rental Payment Date, provided that if the payment of the Termination Value or Casualty Loss Value is made on such Rental Payment Date for any Unit, no Basic Rent for such Unit shall be due or payable on such Rental Payment Date. "Basic Rent" for any Unit during any Renewal Term shall mean an amount determined in accordance with Section 6(c) or 6(d) of the Lease. Basic Rent then due on any Rental Payment Date during the Basic Term in respect of all Units shall be at least sufficient to pay in full on such date any payment then required to be made on account of the principal and interest on the Notes then outstanding in accordance with the amortization schedule and payment terms therefor set forth in the Notes.

"Basic Term" as to any Unit shall mean the period that commences on the Basic Term Commencement Date and expires at midnight on the Expiration Date.

"Basic Term Commencement Date" shall mean July 31, 1995.

"Benefit Plan" shall mean any "employee benefit plan", within the meaning of Section 3(3) of ERISA that is subject to Title I of ERISA, or any "plan", within the meaning of Section 4975(e)(1) of the Code.

"Bill of Sale" for any Unit (including any replacement Unit) shall mean a warranty bill of sale for such Unit from the Seller to Lessor, substantially in the form of Exhibit B to the Participation Agreement.

"Business Day" shall mean each day other than a Saturday, Sunday or day on which banks in the States of New York or Minnesota are required or authorized to close.

"Casualty Loss Payment Date" for any Unit that has suffered a Casualty Occurrence shall be the day that is three days after the Lessee's receipt of insurance proceeds in respect thereof or, if there is no such day, the date selected by Lessee for payment of the Casualty Loss Value for such Casualty Occurrence, which date shall not be more than 120 days from the date of such Casualty Occurrence.

"Casualty Loss Value" for any Unit suffering a Casualty Occurrence shall mean an amount equal to (i) during the Interim Term or the Basic Term of the Lease, the product of Lessor's Cost of such Unit multiplied by the percentage specified in Schedule 2 to the Lease for such Unit opposite the date on such Schedule 2 corresponding to the Casualty Loss Payment Date for the Units (or if there is no such corresponding date, opposite the date on such Schedule next succeeding such Casualty Loss Payment Date) and (ii) during any renewal term, that percentage determined in accordance with Section 6(c) or 6(d) of the Lease. Casualty Loss Value shall in all circumstances be at least sufficient to pay in full the

aggregate outstanding principal amount of the Notes plus accrued and unpaid interest thereon to such date.

"Casualty Occurrence" with respect to any Unit shall mean any of the events referred to in Section 11(b) of the Lease relating to such Unit.

"Change in ERISA Law" shall mean a change in law that articulates a clear standard under which insurance company general account assets would or would not be subject to prohibited transaction excise taxes and penalties (or would not be so subject, upon compliance with certain requirements), including, without limitation, the adoption of by the Department of Labor of a final version of the Proposed Exemption or adoption of another class exemption or regulation regarding the investment of insurance company general account assets or the issuance of any advisory opinion, ruling, notice, general counsel's memorandum or other published notice or announcement by the Internal Revenue Service or Department of Labor in connection with a program of enforcing the prohibition against Prohibited Transactions in circumstances involving the investment of insurance company general account assets.

"Change in Tax Law" shall mean any amendment of the Code proposed or enacted into law or any change in the regulations, revenue rulings or Internal Revenue Service interpretations under the Code, that affects the Tax Assumptions and was proposed, adopted or promulgated, as the case may be, on or prior to the Closing Date.

"Closing" shall mean the purchase and lease of a Unit on the Closing Date pursuant to the terms and conditions of the Participation Agreement.

"Closing Date" shall mean January 25, 1995 or such later Business Day as may be agreed on by Lessee, Loan Participant and Owner Participant.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or any successor tax code thereto.

"Commitment" shall mean a Purchase Commitment or the Equity Commitment.

"Corporate Trust Office of Indenture Trustee" shall mean the office of Indenture Trustee located at One M&T Plaza, Buffalo, New York 14203 or such other office at which at any particular time its corporate trust business shall be administered, which Indenture Trustee shall have specified by notice in writing to Lessee, Owner Trustee, Loan Participants and each Holder.

"Debt" shall mean any liability for borrowed money, or any liability for the payment of money in connection with any letter of credit transaction or other liabilities evidenced or to be evidenced by bonds debentures, notes or other similar instruments.

"Debt Placement Agent" shall mean CS First Boston Corporation.

"Default" shall have the meaning as defined in Section 5.01(b) of the Indenture.

"Default Interest Rate" shall mean the interest rate per annum (computed on the basis of a 360-day year of twelve 30-day months) equal at all times to (a) a rate per annum equal to two percentage points over the interest rate payable in respect of the Notes issued on the Closing Date or any New Note issued in connection with any refinancing of such Note or (b), if less, the maximum interest rate permitted by law.

"Disclosure Documents" shall mean Guarantor's annual report on Form 10-K for the period ended December 31, 1993 (other than the documents and reports referred to in Part IV, Items 14(a)(3) and (b) thereof) and Guarantor's Quarterly reports on Form 10-Q for the periods ended March 31, 1994, June 30, 1994, and September 30, 1994 and each of Guarantor's Current Reports on Form 8-K, dated as of December 27, 1993, January 26, 1994, March 21, 1994, March 31, 1994, April 20, 1994, June 21, 1994, July 20, 1994, August 18, 1994 and October 19, 1994, each as filed with the Securities and Exchange Commission.

"Early Purchase Option Date" shall mean the first date set forth under the caption "Early Purchase Option Date" on Schedule 1 to the Lease.

"Early Purchase Option Price" shall mean the sum of the percentages set forth under the caption "Early Purchase Option Price Per Unit at a % of Lessor's Cost" on Schedule 1 to the Lease. The amount of the Early Purchase Option Price payable on the Early Purchase Option Date shall be at least sufficient to pay in full the aggregate outstanding principal amount of the Series of Notes to be prepaid pursuant to Section 3.02 of the Indenture plus accrued and unpaid interest thereon to the Early Purchase Option Date.

"Economic Return" shall mean Owner Participant's anticipated net after-tax yield (utilizing the multiple investment sinking fund method of analysis) and aggregate after-tax cash flow, computed on the basis of the same methodology and assumptions as were utilized by Owner Participant in determining Basic Rent, Casualty Loss Value, Termination Value, Early Purchase Option Price and Early Purchase Option Date schedules as set forth in Schedule 4 to the Participation Agreement.

"Environmental Law" shall mean any federal, state, local or foreign law, regulation, rule or ordinance relating to land use, pollution or protection of human health or species of wildlife or plants or the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), including, without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of Hazardous Substances or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances. Environmental Laws include but are not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("**CERCLA**"), the Federal Insecticide, Fungicide, and Rodenticide Act, as amended ("**FIFRA**"), the Resource Conservation and Recovery Act, as amended ("**RCRA**"), the Toxic Substances Control Act, as amended ("**TSCA**") and (vi) the Endangered Species Act of 1973, as amended.

"Equity Commitment" shall mean an aggregate amount equal to \$564,115.79.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" shall mean any of the events referred to in Section 17 of the Lease.

"Excepted Payments" shall mean the following: (a) all amounts, and all rights with respect thereto, payable under Section 5 or 7 of the Participation Agreement to Owner Participant or Owner Trustee; (b) all amounts payable and all rights under the Tax Indemnity Agreement; (c) all proceeds of and rights with respect to liability insurance policies (or self-insurance in lieu thereof) which are to be payable solely to Owner Participant or Owner Trustee (in its individual capacity and not as Owner Trustee) (i) maintained or required to be maintained by Lessee under any Operative Agreement or (ii) separately maintained by or on behalf of any such Person as permitted by Section 7(g) of the Lease; (d) all proceeds of and rights with respect to property insurance separately maintained by or on behalf of Owner Participant or Owner Trustee as permitted by Section 7(g) of the Lease; (e) all Transaction Expenses payable or reimbursable by Lessee to Owner Participant, or Owner Trustee (in its individual capacity and not as Owner Trustee) pursuant to Section 11 of the Participation Agreement; (f) all amounts of interest or late charges attributable to amounts referred to in any of clauses (a) through (e) above; and (g) all amounts payable and all rights with respect thereto under the Guarantee with respect to amounts referred to in any of clauses (a) through (f) above.

"Excess Policies" shall have the meaning specified in Section 7(h) of the Lease.

"Expiration Date" shall mean July 31, 2017.

"FRA" shall mean the Federal Railroad Administration.

"Fair Market Rental Value" shall mean an amount equal to the rental value of any Unit which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession or a used equipment dealer) and an informed and willing lessor under no compulsion to lease. For purposes of Section 18 of the Lease, Fair Market Rental Value shall be determined on an "as is" "where is" basis. For the purposes of Section 6(c) or 6(d) of the Lease, Fair Market Rental Value shall be determined on the assumption that maintenance has been performed and improvements made at least in accordance with the provisions of Section 9 of the Lease. Costs of removal from the location of current use and future lease renewal or purchase rights shall not be a deduction from such value.

"Fair Market Value" shall mean an amount equal to the value of any Unit, and for the purposes of Section 8(c) of the Lease, any addition or improvement to any Unit, which would obtain in an arm's-length transaction between an informed and willing buyer-user (other than a buyer currently in possession or a used equipment dealer) and an

informed and willing seller under no compulsion to sell and shall take into consideration the costs and expenses, including any taxes associated with the transfer of ownership from Lessor to Lessee, the intent being that Lessor and Lessee each derive the same benefits and costs as in an arm's-length transaction with a third party. Costs of removal from the location of current use and future lease renewal or purchase rights shall not be a deduction from such value. For purposes of Section 18 of the Lease, Fair Market Value shall be determined on an "as is" "where is" basis. For the purposes of Section 6(b) of the Lease, Fair Market Value shall be determined on the assumption that maintenance has been performed and improvements made at least in accordance with the provisions of Section 9 of the Lease.

"Fundamental Default" shall have the meaning assigned to such term in Section 3.06 of the Indenture.

"Grant" shall mean mortgage, hypothecate, grant, bargain, sell, transfer, confirm, convey, pledge, assign and grant a security interest in; and "Granted" shall mean mortgaged, hypothecated, granted, bargained, sold, transferred, confirmed, conveyed, pledged, assigned and granted a security interest in.

"Guarantee" shall mean that certain guarantee of Guarantor dated as of January 25, 1995, from Guarantor to Owner Trustee, Owner Participant, Indenture Trustee and Loan Participants, substantially in the form of Exhibit F to the Participation Agreement.

"Guarantor" shall mean Occidental Petroleum Corporation, a Delaware corporation.

"Guarantor Documents" shall mean the Participation Agreement and the Guarantee.

"Hazardous Substances" shall mean those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 CFR part 302) and amendments thereto, or such substances as are designated as hazardous or toxic or regulated as such under any applicable local, state or federal law or the equivalent under applicable foreign laws including, without limitation, any materials, waste or substance which is (a) petroleum, (b) asbestos, (c) polychlorinated biphenals, (d) defined as a "hazardous material," "hazardous substance" or "hazardous waste" under applicable local, state or federal laws or the equivalent under applicable foreign laws, (e) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, (f) defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, or (g) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act.

"Hazardous Substances Laws" shall mean all local, state, federal and foreign laws, ordinances, regulations, and orders relating to industrial hygiene, environmental protections, or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Substances.

"Holder" shall mean a holder from time to time of one or more of the Notes in accordance with the Indenture.

"ICC" shall mean the Office of the United States Interstate Commerce Commission.

"Impositions" shall have the meaning set forth in Section 7(a) of the Participation Agreement.

"Incipient Default" shall mean an event, condition or act, which with the passage of time or the giving of notice or both, would be an Event of Default.

"Indebtedness" shall have the meaning set forth in the Granting Clause of the Indenture.

"Indemnatee" shall have the meaning set forth in Section 5(a) of the Participation Agreement.

"Indenture" shall mean the Trust Indenture and Security Agreement, dated as of January 25, 1995, between Indenture Trustee and Lessor, substantially in the form of Exhibit C to the Participation Agreement, and any amendments or supplements thereto in accordance with the terms thereof and the other Operative Agreements.

"Indenture Trustee" shall mean Manufacturers and Traders Trust Company, a New York banking corporation, not in its individual capacity, except as expressly stated, but solely as Indenture Trustee, and its successors and assigns; except, that with respect to any indemnities afforded to it, covenants to pay its fees, costs and expenses or limitations of liability, such term shall be construed to mean, Indenture Trustee in either of its capacities.

"Indenture Trustee Documents" shall mean the Participation Agreement and the Indenture.

"Interest Payment Date" shall mean each date on which an installment of interest, or principal and interest, is due and payable under Section 2.02(a) of the Indenture.

"Interim Term" shall mean the period that commences on the Closing Date and expires at midnight on the day preceding the Basic Term Commencement Date.

"Lease" shall mean the Equipment Lease Agreement, dated as of January 25, 1995, between Lessor and Lessee, in the form of Exhibit D to the Participation Agreement, and any amendments or supplements thereto in accordance with the terms thereof and the other Operative Agreements.

"Lease Term" shall mean the Interim Term, the Basic Term and any renewal or extension thereof in accordance with the provisions of the Lease.

"Leased Equipment" shall mean collectively those items of railroad rolling stock described in Schedule 1 to the Lease and subject to the Lease at any given time, together with any and all accessions, additions, improvements and replacements from time to time incorporated or installed in any item thereof.

"Lessee" shall mean Oxy Petrochemicals Inc., a Delaware corporation, and its successors and assigns as permitted under the terms hereof and the other Operative Agreements.

"Lessee-Controlled Contest" shall have the meaning specified in Section 7(d) of the Participation Agreement.

"Lessee Documents" shall mean the Participation Agreement, the Lease, the Purchase Agreement Assignment, the Bills of Sale and the Tax Indemnity Agreement.

"Lessee Interim Rent" shall mean an arrears rent payment due on July 31, 1995 in an amount equal to the product of the Lessor's Cost of each Unit multiplied by the percentage listed under the caption "% EC Total" on Schedule 3 to the Lease set forth opposite such date, which shall be at least sufficient to pay on such date any payment then required to be made on account of the principal and interest on the Notes then outstanding in accordance with the amortization schedule and payment terms therefor set forth in the Notes.

"Lessor" shall mean Owner Trustee.

"Lessor Documents" shall mean the Participation Agreement, the Trust Agreement, the Lease, the Purchase Agreement Assignment, the Indenture and the Notes.

"Lessor Interim Amount" shall mean \$82,024.21 due on July 24, 1995 which in any case shall be at least sufficient to pay in full on such date any payment then required to be made on account of the principal and interest on the Notes then outstanding in accordance with the amortization schedule and payment terms therefor set forth in the Notes.

"Lessor Lien" shall mean any Lien resulting from either (i) acts of, or any failure to act by, or claims (including any taxes) against Owner Trustee, Northwest or the Owner Participant which arise out of matters not related to the transactions contemplated by the Operative Agreements, or (ii) a breach by Lessor, Northwest or the Owner Participant of its obligations under the Lease.

"Lessor's Cost" for any Unit shall mean the cost of such Unit as set forth in Schedule 1 to the Lease.

"Liabilities" shall have the meaning set forth in Section 5(a) of the Participation Agreement.

"Lien" shall mean any lien, mortgage, encumbrance, charge, pledge, lease, security interest or claim of any kind (including without limitation any conditional sale or other retention agreement).

"Loan Participant" shall mean Principal Mutual Life Insurance Company and its successors and permitted assigns and each Holder from time to time of a Note or Notes.

"Majority in Interest of Loan Participants" as of a particular date of determination shall mean the Holders (other than Owner Participant, Lessor, Lessee or any Affiliate of any thereof) of a majority in aggregate unpaid principal amount of all Notes, if any, outstanding as of such date under the Indenture.

"Make Whole Premium" shall mean, in connection with any prepayment of the Note or Notes, the amount (but not less than zero) equal to the excess, if any, of

(A) the sum of the Present Values (as hereinafter defined) of (1) each installment of principal that would have been required to be made on each Rental Payment Date pursuant to the Indenture in respect of the principal amount of the Note or Notes being prepaid, (2) the principal payment of the Note or Notes to be paid upon maturity (assuming each required installment of principal is paid when due) and (3) the amount of interest (other than accrued interest being paid concurrently with required installment of principal) that would have been payable on (if not yet past, the date one day prior to six months from the Closing Date and) each Rental Payment Date on the amount of installment of principal being prepaid (assuming each required installment of principal, and the principal balance of the Note or Notes payable upon maturity and interest payments were paid when due), less

(B) the principal amount of the Note or Notes being prepaid.

For purposes of this definition, "Present Value" shall be determined to the date of prepayment in accordance with generally accepted financial practice in the United States of America on a semi-annual basis at a discount rate equal to the sum of the applicable Treasury Yield plus 0.50%; and the "Treasury Yield" for such purpose shall be determined by reference to the yield for the actively-traded U.S. Treasury security having a constant maturity equal to the then-remaining weighted average life to maturity (determined in accordance with generally accepted financial practice in the United States of America) of such Note at approximately 11:00 A.M., New York City time, on the third Business Day prior to the date of such prepayment of such Note, as reported by Telerate Access Service (page 5 or the relevant page at the date of determination indicating such yields or, if such data ceases to be available, any publicly available source of similar market data); provided that if such then-remaining weighted average life to maturity is not equal to the maturity of an actively traded U.S. Treasury security, such yield shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields for the two most closely corresponding actively traded U.S. Treasury securities having a constant maturity next longer and shorter than such then-remaining weighted average life.

"Manufacturer" with respect to any Unit, shall mean ACF Industries Incorporated.

"Material Adverse Effect" shall mean (i) any material and adverse effect on the consolidated financial condition of the referenced Person and its consolidated subsidiaries, taken as a whole, (ii) any material impairment of the referenced Person's ability to perform its obligations under the Operative Agreements to which such Person is a party or (iii) any adverse effect on the enforceability against the referenced Person of a material provision of an Operative Agreement to which such Person is a party.

"New Notes" shall have the meaning as defined in Section 16(a) of the Participation Agreement.

"New Note Holders" shall have the meaning as defined in Section 16(a) of the Participation Agreement.

"Non-U.S. Person" shall mean any Person other than a Person as defined in Section 7701(a)(30) of the Code.

"Norwest" shall mean Norwest Bank Minnesota, N.A., in its individual capacity.

"Note" or "Notes" shall mean any one or more Notes issued under the Indenture, substantially in the form set forth in Section 2.01 of such Indenture and shall include any note issued in exchange therefor or replacement thereof pursuant to Section 2.06 or Section 2.07 of such Indenture.

"Operative Agreements" shall mean the Participation Agreement, the Notes, the Indenture, the Trust Agreement, the Lease, the Purchase Agreement Assignment, the Bills of Sale, the Guarantee, the Tax Indemnity Agreement and the Owner Participant Guaranty.

"Owner Participant" shall mean Norlease, Inc., a Delaware corporation, and its successors and assigns.

"Owner Participant Documents" shall mean this Participation Agreement, and the Trust Agreement and the Tax Indemnity Agreement.

"Owner Participant Guaranty" shall mean that certain guaranty dated as of January 25, 1995 from The Northern Trust Company, an Illinois banking corporation, to the Obligors named therein, substantially in the form of Exhibit H to the Participation Agreement.

"Owner Trustee" shall mean Norwest Bank Minnesota, N.A., a national banking association, acting not in its individual capacity but solely as trustee under the Trust Agreement, and its successors and assigns.

"Participants" shall mean each Loan Participant, Owner Participant, Indenture Trustee and Owner Trustee.

"Participant Controlled Contest" shall have the meaning specified in Section 7(d) of the Participation Agreement.

"Participation Agreement" shall mean the Participation Agreement dated as of January 25, 1995, among Lessee, Owner Participant, Lessor, each Loan Participant, Guarantor and the Indenture Trustee, as amended from time to time.

"Payment Date" shall have the meaning specified in Section 18(c) of the Lease.

"Permitted Investments" shall mean (i) direct obligations of the United States of America and agencies thereof, (ii) obligations fully guaranteed by the United States of America, (iii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the States thereof having combined capital and surplus and retained earnings of at least \$500,000,000 (including Indenture Trustee if such conditions are met), and having a bond rating (for itself or its parent company) of A/A-2 or better as determined by Standard & Poor's Rating Division or of A/P-2 or better as determined by Moody's Investors Services, Inc., and (iv) commercial paper of companies, banks, trust companies, or national banking associations incorporated or doing business under the laws of the United States of America or one of the States thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Rating Division or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization.

"Permitted Liens" shall mean (i) the security interest created by the Indenture; (ii) liens against one or more Units for taxes either not yet due or being contested in good faith and by appropriate proceedings diligently conducted so long as such proceedings shall stay the enforcement thereof and the sale or forfeiture of any Unit or any part thereof or interest therein and for which adequate reserves have been provided in accordance with generally accepted accounting principles; (iii) undetermined or inchoate materialmen's, mechanic's, workmen's, repairmen's or employees' liens or other like liens against one or more Units arising in the ordinary course of business and securing obligations which are not delinquent or which shall have been bonded or the enforcement of which shall have been suspended (but only for the duration of such suspension); (iv) the rights of any permitted sublessee or assignee under the Lease and (v) Lessor Liens.

"Person" shall mean an individual, a corporation, a partnership, an unincorporated organization, an association, a joint stock company, a joint venture, a trust, an estate, a government or any agency or political subdivision thereof, or other entity, whether acting in an individual, fiduciary or other capacity.

"Plan Assets" shall mean any assets that directly or indirectly constitute, or may be deemed under the Code, ERISA or any rulings or regulations thereunder to be, the assets of any "employee benefit plan", subject to Title I of ERISA or any applicable regulation thereunder, or an individual retirement account, individual retirement annuity or employee benefit plan subject to Section 4975 of the Code, or any trust established under any such plan, account or annuity.

"Potential Default" shall mean an event, condition or act, which with the passage of time or the giving of notice or both, would be a Default.

"Pricing Facts" shall have the meaning specified in Section 15(b) of the Participation Agreement.

"Prohibited Transaction" shall mean a transaction which is prohibited under Section 406 of ERISA or Section 4975 of the Code, unless such transaction is exempt from the prohibition under Section 408 of ERISA or Section 4975 of the Code or under any regulations, administrative exemptions or any other provision of law.

"Proposed Exemption" shall have the meaning set forth in Section 4(a)(iii)(B) of the Participation Agreement.

"PT Event" shall have the meaning set forth in Section 16(c) of the Participation Agreement.

"PT Notice" shall have the meaning set forth in Section 16(c) of the Participation Agreement.

"PT Payment Date" shall have the meanings set forth in Section 16(c), Section 16(d) and Section 17(b), as the case may require, of the Participation Agreement.

"Purchase Agreement Assignment" shall mean a Purchase Agreement Assignment respecting a new Unit between Lessee and Lessor, with the Consent and Agreement of the Manufacturer attached, substantially in the form of Exhibit G to the Participation Agreement.

"Purchase Agreements" shall mean the purchase agreements and purchaser orders for the Leased Equipment described in the Purchase Agreement Assignment.

"Purchase Commitment" shall mean an aggregate amount equal to \$1,924,911.21.

"Refinancing" shall have the meaning as defined in Section 16(a) of the Participation Agreement.

"Renewal Term" shall have the meaning specified in Section 6(c) of the Lease.

"Rent" shall mean Basic Rent, Interim Rent and Supplemental Rent, collectively.

"Rental Payment Date" for any Unit shall mean during the Basic Term, the dates specified as such in Schedule 3 to the Lease and during any Renewal Term, the same dates occurring during such Renewal Term; provided, that if any such date shall not be a Business Day, then "Rental Payment Date" shall mean the next succeeding Business Day.

"Replacement Unit" shall mean a Tank Car substantially similar in material and dimension to the Unit with respect to which a Casualty Occurrence has occurred and which is being replaced pursuant to Section 11(c) of the Lease.

"Responsible Officer" of any corporation shall mean a corporate officer of such corporation who, in the normal performance of his or her operational responsibilities, would have knowledge of the subject matter of any covenant, agreement or obligation, as appropriate, of such entity, contained in any of the Assigned Agreements or in the Indenture.

"Securities Act" shall mean the Securities Act of 1933.

"Seller" with respect to any Unit shall mean Oxy Petrochemicals Inc., a Delaware corporation.

"Special Canadian Counsel" shall mean McCarthy Tetrault, Suite 4700, Toronto Dominion Bank Tower, Toronto Dominion Centre, Toronto, Ontario, Canada M5K 1E6.

"Special ERISA Counsel" shall mean Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017.

"Special ICC Counsel" shall mean Alvord & Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington D.C.

"Supplemental Rent" shall mean the amounts payable pursuant to Section 5(b) of the Lease.

"Tank Cars" shall mean the tank cars manufactured by ACF Industries, Inc. as described in Schedule 1 to the Lease.

"Tax Assumptions" shall have the meaning set forth in Section 1 of the Tax Indemnity Agreement.

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement, dated as of the Closing Date between Owner Participant and Lessee.

"Termination Date" shall mean any "Termination Date" set forth on Schedule 2 to the Lease occurring after the fifth (5th) anniversary of the Basic Term Commencement

Date in respect of which Lessee has given Lessor prior notice pursuant to Section 4 of the Lease.

"Termination Value" for any Unit on any Termination Date shall mean an amount equal to the product of Lessor's Cost of such Unit multiplied by the percentage specified in Schedule 2 to the Lease opposite the applicable Termination Date for the Units and shall under any circumstances be at least sufficient to pay in full the aggregate outstanding principal amount of the Notes plus accrued and unpaid interest thereon to such date.

"Transaction Expenses" shall have the meaning set forth in Section 11 of the Participation Agreement.

"Trust Agreement" shall mean the Trust Agreement dated as of January 25, 1995 between Owner Participant and Norwest, and substantially in the form of Exhibit E to the Participation Agreement.

"Trust Estate" shall have the meaning set forth in Section 2.02 of the Trust Agreement.

"Trust Indenture Estate" shall have the meaning set forth in the Granting Clause of the Indenture.

"Underlying Policies" shall have the meaning specified in Section 7(h) of the Lease.

"Unit" shall mean individually the various items of Leased Equipment.

SCHEDULE 1
TO LEASE

DESCRIPTION OF LEASED EQUIPMENT

<u>Number of Units</u>	<u>Size and Type of Equipment</u>	<u>Mfr.</u>	<u>Reporting Marks</u>	<u>Lessor's Cost Per Unit</u>	<u>Total Lessor's Cost</u>	<u>Basic Term (yrs)</u>	<u>Early Purchase Option Date</u>	<u>Early Purchase Option Price Per Unit as a % of Lessor's Cost</u>
37	21,000 Gallon Ethylene Glycol/Derivative Tank Cars	ACF Industries	OPIX 21051- 21087	\$67,271	\$2,489,027	22	7/31/15 9/15/15 12/15/15	27.14281% 9.08781% 9.08782%

SCHEDULE 2
TO LEASE

CASUALTY LOSS VALUES AND TERMINATION VALUES

Date	Value (%)
25-Jan-95	106.7633825273%
25-Feb-95	107.5747954882%
25-Mar-95	108.3875907529%
25-Apr-95	109.1845120737%
25-May-95	109.9827394946%
25-Jun-95	110.7650142337%
31-Jul-95	111.5187496817%
31-Aug-95	112.3324689671%
30-Sep-95	113.1303206232%
31-Oct-95	113.9294842092%
30-Nov-95	114.7299660611%
31-Dec-95	115.5145102446%
31-Jan-96	115.3002953714%
29-Feb-96	113.7568180919%
31-Mar-96	114.5635054120%
30-Apr-96	115.3324786023%
31-May-96	116.1026087606%
30-Jun-96	116.8533291482%
31-Jul-96	113.0789550009%
31-Aug-96	113.8231313529%
30-Sep-96	114.5478049390%
31-Oct-96	115.2734462151%
30-Nov-96	116.0000606214%
31-Dec-96	116.7070781116%
31-Jan-97	116.4149692999%
28-Feb-97	114.8274283002%
31-Mar-97	115.5733034727%
30-Apr-97	116.2694831682%
31-May-97	116.9664784762%
30-Jun-97	117.6499339608%
31-Jul-97	113.7559605007%
31-Aug-97	114.4315018876%
30-Sep-97	115.0934391954%
31-Oct-97	115.7560602773%
30-Nov-97	116.4193676927%
31-Dec-97	117.0690052582%
31-Jan-98	116.7192608887%
28-Feb-98	115.1309349751%
31-Mar-98	115.8180304080%
30-Apr-98	116.4602731810%
31-May-98	117.1030930685%
30-Jun-98	117.7366080411%
31-Jul-98	113.7359977248%
31-Aug-98	114.3603589900%
30-Sep-98	114.9753710268%
31-Oct-98	115.5908712559%
30-Nov-98	116.2068607511%
31-Dec-98	116.8134572265%

SCHEDULE 2
TO LEASE

CASUALTY LOSS VALUES AND TERMINATION VALUES

Date	Value (%)
31-Jan-99	116.4204955930%
28-Feb-99	114.8507786391%
31-Mar-99	115.4936226416%
30-Apr-99	116.0953507012%
31-May-99	116.6974951264%
30-Jun-99	117.2934062200%
31-Jul-99	113.1937247910%
31-Aug-99	113.7793122701%
30-Sep-99	114.3586370232%
31-Oct-99	114.9383178552%
30-Nov-99	115.5183572687%
31-Dec-99	116.0921040348%
31-Jan-00	115.6661770372%
29-Feb-00	114.1477802652%
31-Mar-00	114.7395984179%
30-Apr-00	115.3081292035%
31-May-00	115.8769583758%
30-Jun-00	116.4395569359%
31-Jul-00	112.2398687524%
31-Aug-00	112.7909546044%
30-Sep-00	113.3357790604%
31-Oct-00	113.8808400364%
30-Nov-00	114.4261378402%
31-Dec-00	114.9651427449%
31-Jan-01	114.5043533607%
28-Feb-01	113.0069703514%
31-Mar-01	113.5799653742%
30-Apr-01	114.1133977785%
31-May-01	114.6470049597%
30-Jun-01	115.1743882833%
31-Jul-01	110.8670813271%
31-Aug-01	111.3816721527%
30-Sep-01	111.8900080539%
31-Oct-01	112.3984546182%
30-Nov-01	112.9070132740%
31-Dec-01	113.4092838020%
31-Jan-02	112.9116331340%
28-Feb-02	111.4566092383%
31-Mar-02	111.9916172335%
30-Apr-02	112.4918512714%
31-May-02	112.9921535808%
30-Jun-02	113.4901691826%
31-Jul-02	109.0749306240%
31-Aug-02	109.5588593195%
30-Sep-02	110.0404885820%
31-Oct-02	110.5221637365%
30-Nov-02	111.0038829607%
31-Dec-02	111.4832931482%

SCHEDULE 2
TO LEASE

CASUALTY LOSS VALUES AND TERMINATION VALUES

Date	Value (%)
31-Jan-03	110.9627347477%
28-Feb-03	109.5709047583%
31-Mar-03	110.0819657881%
30-Apr-03	110.5632038354%
31-May-03	111.0444851495%
30-Jun-03	111.5275050906%
31-Jul-03	107.0103612242%
31-Aug-03	107.4777319092%
30-Sep-03	107.9468439157%
31-Oct-03	108.4160076647%
30-Nov-03	108.8852242887%
31-Dec-03	109.3561921229%
31-Jan-04	108.8237867654%
29-Feb-04	107.1318436965%
31-Mar-04	107.6148362092%
30-Apr-04	108.0843959763%
31-May-04	108.5540101871%
30-Jun-04	109.0255108153%
31-Jul-04	104.7993906174%
31-Aug-04	105.2564494845%
30-Sep-04	105.7153849379%
31-Oct-04	106.1743770295%
30-Nov-04	106.6334254166%
31-Dec-04	107.0943615634%
31-Jan-05	106.5516596025%
28-Feb-05	103.2089657135%
31-Mar-05	103.6836870997%
30-Apr-05	104.1313585615%
31-May-05	104.5790886390%
30-Jun-05	105.0288893172%
31-Jul-05	102.3955871598%
31-Aug-05	102.8414475897%
30-Sep-05	103.2893679062%
31-Oct-05	103.7373479102%
30-Nov-05	104.1853882071%
31-Dec-05	104.6355003762%
31-Jan-06	104.0816158455%
28-Feb-06	100.6836085969%
31-Mar-06	101.1458046107%
30-Apr-06	101.5819048345%
31-May-06	102.0180664262%
30-Jun-06	102.4564310168%
31-Jul-06	99.8558656218%
31-Aug-06	100.2900383478%
30-Sep-06	100.7264021679%
31-Oct-06	101.1628316523%
30-Nov-06	101.5993244836%
31-Dec-06	102.0380222010%

SCHEDULE 2
TO LEASE

CASUALTY LOSS VALUES AND TERMINATION VALUES

Date	Value (%)
31-Jan-07	101.4724662953%
28-Feb-07	94.5858741019%
31-Mar-07	95.0089329205%
30-Apr-07	95.4104242854%
31-May-07	95.8119925151%
30-Jun-07	96.2178166066%
31-Jul-07	95.3016536064%
31-Aug-07	94.7076790662%
30-Sep-07	95.1179832847%
31-Oct-07	95.5284123463%
30-Nov-07	95.9389659623%
31-Dec-07	96.3538234635%
31-Jan-08	96.7516911842%
29-Feb-08	89.7229754393%
31-Mar-08	90.1107589557%
30-Apr-08	90.4907248166%
31-May-08	90.8707737482%
30-Jun-08	91.2551835161%
31-Jul-08	90.4517465183%
31-Aug-08	89.8363686807%
30-Sep-08	90.2253765168%
31-Oct-08	90.6145139125%
30-Nov-08	91.0037834214%
31-Dec-08	91.3974628701%
31-Jan-09	91.7737408288%
28-Feb-09	84.5672105885%
31-Mar-09	84.9423184997%
30-Apr-09	85.2993095270%
31-May-09	85.6563884039%
30-Jun-09	86.0180846941%
31-Jul-09	85.3359675719%
31-Aug-09	84.6978894359%
30-Sep-09	85.0644546607%
31-Oct-09	85.4311583450%
30-Nov-09	85.7980017122%
31-Dec-09	86.1695146060%
31-Jan-10	86.5398667035%
28-Feb-10	79.0751458316%
31-Mar-10	79.4260090191%
30-Apr-10	79.7619144295%
31-May-10	80.0980063356%
30-Jun-10	80.4392225448%
31-Jul-10	79.9758887547%
31-Aug-10	79.3175375896%
30-Sep-10	79.6643385765%
31-Oct-10	80.0113856722%
30-Nov-10	80.3586789786%
31-Dec-10	80.7111560623%

SCHEDULE 2
TO LEASE

CASUALTY LOSS VALUES AND TERMINATION VALUES

Date	Value (%)
31-Jan-11	81.0639083361%
28-Feb-11	73.3126966093%
31-Mar-11	73.6385392473%
30-Apr-11	73.9529783246%
31-May-11	74.2677273708%
30-Jun-11	74.5881877635%
31-Jul-11	74.3715171989%
31-Aug-11	73.6926643427%
30-Sep-11	74.0195561072%
31-Oct-11	74.3468256713%
30-Nov-11	74.6744736001%
31-Dec-11	75.0079013570%
31-Jan-12	75.3417408173%
29-Feb-12	67.2866987544%
31-Mar-12	67.5797545963%
30-Apr-12	67.8722104288%
31-May-12	68.1651184643%
30-Jun-12	68.4643848232%
31-Jul-12	68.5178914545%
31-Aug-12	67.8181386425%
30-Sep-12	68.1247832318%
31-Oct-12	68.4319566429%
30-Nov-12	68.7396607123%
31-Dec-12	69.0538029780%
31-Jan-13	69.3685125442%
28-Feb-13	61.0409782868%
31-Mar-13	61.3148133793%
30-Apr-13	61.5853225551%
31-May-13	61.8564470571%
30-Jun-13	62.1346418258%
31-Jul-13	62.4134922710%
31-Aug-13	61.6925165218%
30-Sep-13	61.9786565535%
31-Oct-13	62.2654973738%
30-Nov-13	62.5530421873%
31-Dec-13	62.8477482246%
31-Jan-14	63.1432005034%
28-Feb-14	54.7979988071%
31-Mar-14	55.0469956693%
30-Apr-14	55.2971100275%
31-May-14	55.5480251937%
30-Jun-14	55.8067841936%
31-Jul-14	56.0663892148%
31-Aug-14	55.3239969118%
30-Sep-14	55.5895000063%
31-Oct-14	55.8559002949%
30-Nov-14	56.1232032859%
31-Dec-14	56.3984519650%

SCHEDULE 2
TO LEASE

CASUALTY LOSS VALUES AND TERMINATION VALUES

Date	Value (%)
31-Jan-15	56.6746513216%
28-Feb-15	48.3119339628%
31-Mar-15	48.5356257245%
30-Apr-15	48.7696961109%
31-May-15	49.0048009668%
30-Jun-15	49.2530435332%
31-Jul-15	49.5023961512%
31-Aug-15	43.8346464164%
30-Sep-15	44.0580806595%
31-Oct-15	44.2827067903%
30-Nov-15	44.5085319775%
31-Dec-15	44.7476598788%
31-Jan-16	44.9553543910%
29-Feb-16	41.4620380834%
31-Mar-16	41.6719544843%
30-Apr-16	41.8934818360%
31-May-16	42.1161918050%
30-Jun-16	42.3505806353%
31-Jul-16	42.5104108615%
31-Aug-16	34.0910116059%
30-Sep-16	34.2630428443%
31-Oct-16	34.4359926843%
30-Nov-16	34.6098644515%
31-Dec-16	34.7951558783%
31-Jan-17	34.9726002802%
28-Feb-17	34.1509914256%
31-Mar-17	34.3303348913%
30-Apr-17	34.5419777414%
31-May-17	34.7547500522%
30-Jun-17	35.0000000133%
31-Jul-17	35.0000000133%

SCHEDULE 3
TO LEASE

BASIC RENT

Date	(% EC) Arrears	(% EC) Advance	(% EC) Total
25-Jan-95	0.0000000000%	0.0000000000%	0.0000000000%
24-Jul-95	0.0000000000%	0.0000000000%	0.0000000000%
31-Jul-95	0.1693448886%	0.0000000000%	0.1693448886%
31-Jan-96	1.0000000000%	2.3121087075%	3.3121087075%
31-Jul-96	4.5261549995%	0.0000000000%	4.5261549995%
31-Jan-97	1.0000000000%	2.2600867729%	3.2600867729%
31-Jul-97	4.5781769342%	0.0000000000%	4.5781769342%
31-Jan-98	1.0000000000%	2.2036064695%	3.2036064695%
31-Jul-98	4.6346568358%	0.0000000000%	4.6346568358%
31-Jan-99	1.0000000000%	2.1422861222%	3.1422861222%
31-Jul-99	4.6959775848%	0.0000000000%	4.6959775848%
31-Jan-00	1.0000000000%	2.0757103077%	3.0757103077%
31-Jul-00	4.7625529976%	0.0000000000%	4.7625529976%
31-Jan-01	1.0000000000%	2.0034290508%	3.0034290508%
31-Jul-01	4.8348342545%	0.0000000000%	4.8348342545%
31-Jan-02	1.0000000000%	1.9249534055%	2.9249534055%
31-Jul-02	4.9133098998%	0.0000000000%	4.9133098998%
31-Jan-03	1.0000000000%	1.8397522405%	2.8397522405%
31-Jul-03	4.9985110648%	0.0000000000%	4.9985110648%
31-Jan-04	1.0000000000%	2.1442736459%	3.1442736459%
31-Jul-04	4.6939900612%	0.0000000000%	4.6939900612%
31-Jan-05	1.0000000000%	3.7591508650%	4.7591508650%
31-Jul-05	3.0791128421%	0.0000000000%	3.0791128421%
31-Jan-06	1.0000000000%	3.8035778640%	4.8035778640%
31-Jul-06	3.0346858431%	0.0000000000%	3.0346858431%
31-Jan-07	1.0000000000%	7.2579955943%	8.2579955943%
31-Jul-07	1.3220873056%	1.0000000000%	2.3220873056%
31-Jan-08	0.0000000000%	7.3921303385%	7.3921303385%
31-Jul-08	1.1879525614%	1.0000000000%	2.1879525614%
31-Jan-09	0.0000000000%	7.5361564981%	7.5361564981%
31-Jul-09	1.0439264018%	1.0000000000%	2.0439264018%
31-Jan-10	0.0000000000%	7.7753182268%	7.7753182268%
31-Jul-10	0.8047646731%	1.0000000000%	1.8047646731%
31-Jan-11	0.0000000000%	8.0426102248%	8.0426102248%
31-Jul-11	0.5374730768%	1.0000000000%	1.5374730768%
31-Jan-12	0.0000000000%	8.3338344662%	8.3338344662%
31-Jul-12	0.2462488354%	1.0000000000%	1.2462488354%
31-Jan-13	0.0000000000%	8.5800828999%	8.5800828999%
31-Jul-13	0.0000000000%	1.0000000000%	1.0000000000%
31-Jan-14	0.0000000000%	8.5800828999%	8.5800828999%
31-Jul-14	0.0000000000%	1.0000000000%	1.0000000000%
31-Jan-15	0.0000000000%	8.5800828999%	8.5800828999%
31-Jul-15	0.0000000000%	5.8779639594%	5.8779639594%
31-Jan-16	0.0000000000%	3.7021189405%	3.7021189405%
31-Jul-16	0.0000000000%	8.5800828999%	8.5800828999%
31-Jan-17	0.0000000000%	1.0000000000%	1.0000000000%
31-Jul-17	0.0000000000%	0.0000000000%	0.0000000000%

EXHIBIT A
TO
EQUIPMENT LEASE

BILL OF SALE

_____ ("Seller"), for \$10.00 and other good and valuable consideration paid by _____ ("Buyer") the receipt and the sufficiency of which are hereby acknowledged by Seller, does hereby grant, assign, transfer, bargain, sell and deliver to Buyer, its successors and assigns, all right, title and interest in and to the units of railroad equipment set forth on Schedule A hereto, together with all parts, appurtenances and other equipment or property attached to said units of railroad equipment (the "Equipment").

Seller hereby warrants that (a) Seller is the owner and holder of, and has full legal and beneficial title to, the Equipment, (b) Seller has good right and full power to sell the Equipment; (c) Seller's title thereto is on the date hereof good and marketable; and (d) Seller hereby transfers to Buyer all right, title and interest in and to the Equipment, free and clear of all liens, charges and encumbrances, howsoever created.

Seller, its successors and assigns, covenant and agree to warrant and defend the title to the Equipment unto Buyer, its successors and assigns, against all persons whomsoever and hereby agree to indemnify Buyer and all parties claiming through it against, and to hold Buyer and such persons harmless from, any and all liabilities, claims, suits, actions, demands, debts or obligations of every nature or kind resulting from the claim of any party or parties in any way arising from title to the Equipment on or prior to the date hereof.

This Bill of Sale and the rights and obligations of Buyer and Seller hereunder (including all matters of construction, validity and performance) shall be governed by and construed in accordance with the laws of the State of New York, excluding its rules relating to conflict of laws.

TO HAVE AND TO HOLD the Equipment unto Buyer, its successors and assigns, for its and their own use, forever.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed on its behalf by a duly authorized officer thereof this ____ day of, 199__.

By: _____
Name:
Title:

SCHEDULE A TO BILL OF SALE

Quantity

Manufacturer

Description